

FBIS**DAILY REPORT
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WORLD BANK GROUP HEARS ZHAO ZIYANG ON COAL, OIL

OW071943 Beijing XINHUA in English 1846 GMT 7 Mar 85

[Text] Beijing, March 7 (XINHUA) -- "We can say with certainty that China's raw coal output can fulfil ahead of schedule its target of 1.2 billion tons set in the plan for the year 2000," Chinese Premier Zhao Ziyang said here today.

In a meeting with a visiting delegation from the World Bank led by Vice-President Attila Karaosmanoglu here this afternoon, Zhao said there would not be any problem with coal extraction as long as the transportation problem was solved. He said northern Shanxi and Inner Mongolia abounded in coal deposits that could be easily extracted. "We mainly use local and rural enterprises to open up such mines," he said.

He also noted that China's onshore oil situation was much better than expected. In recent years, he said, fairly big progress had been made in exploring the reserves of old oilfields. "We cannot totally rely on exploitation of new onshore or offshore fields, because old oilfields have great potential," he said.

Zhao also expressed his appreciation for the World Bank study reports on China's economy. He described them as very good references, important for drawing up China's Seventh Five-Year Plan and long-term economic development plans.

Zhao expressed his satisfaction with the bank's cooperation with China in the five years since the country's membership was restored. Also present were Vice-Minister of the State Planning Commission Gan Zhiyu, and Vice-Minister of Finance Chen Lulong.

Delegation Visits Gansu

HK071139 Lanzhou Gansu Provincial Service in Mandarin 0430 GMT 7 Mar 85

[Text] Led by Attila Karaosmanoglu, a vice president of the World Bank, a World Bank delegation made up of four people paid a friendly visit to and conducted an economic investigation in our province from 28 February to 4 March. During their stay in our province, Karaosmanoglu and his party visited counties, including Dingxi, Gaolan, and Yongdeng, and educational and public health organizations. The World Bank experts held talks with provincial departments concerned cooperation in the economic development of some items in Gansu. They decided to send three groups of experts in human resources, agriculture, and comprehensive development one after another to Gansu this year to conduct special economic investigation. During its stay in Lanzhou, the delegation was met twice by Governor Chen Guangyi and Vice Governor (Lu Ming).

ENVIRONMENTAL PROTECTION EXHIBITION OPENS

OW080019 Beijing XINHUA in English 1522 GMT 7 Mar 85

[Text] Guangzhou, March 7 (XINHUA) -- China's first international environmental protection exhibition opened here today. Particularly are 28 companies from the United States, Britain, France, Federal Germany, Sweden, Switzerland, Japan, Austria, Denmark, Canada and Hong Kong. Exhibits include instruments and facilities for noise testing, atmosphere monitoring and waste water treatment.

During the six-day show, scholars and technicians from overseas and Hong Kong will give lectures on air pollution control, treatment of waste water discharged by power plants and ten other topics. The exhibition is sponsored by Modern China Limited of Hong Kong, and held by the Guangdong branch of the China Council for the Promotion of International Trade.

DPRK CITES VIOLATIONS OF AIRSPACE BY SR-71

OW080845 Beijing XINHUA in English 0747 GMT 8 Mar 85

[Text] Pyongyang, March 8 (XINHUA) -- A U.S. SR-71 high altitude reconnaissance plane violated North Korean airspace Wednesday over waters east of Kosung, a KCNA report said here today. Since the beginning of last month, U.S. planes have violated Democratic People's Republic of Korea (DPRK) airspace for fifteen times, the report said.

The report also said that since the United States and South Korea jointly held their "Team Spirit-85" military exercises on February 1, the United States had reinforced its air reconnaissance north of the Korean peninsula. This fact clearly shows the United States' "premeditated moves to artificially aggravate the situation on the Korean peninsula," the report said.

S. KOREAN REFORM GESTURE CALLED 'MEANINGLESS'

OW071404 Beijing XINHUA in English 1322 GMT 7 Mar 85

[Text] Pyongyang, March 7 (XINHUA) -- South Korean opposition leaders Kim Tae-chung and Kim Yong-sam Wednesday attacked as "meaningless" the lifting by the South Korean authorities yesterday of a ban on political activities of 14 former political figures. At a joint press conference, Kim Tae-chung said that when the authorities announced the lifting, they identified him as a "criminal" and thus would not permit him to take part in political activities.

Kim Yong-sam said the lifting of the ban on political activities "did not mean any fundamental changes in the nature of the government." Both of them also demanded a revision of the present Constitution, guarantees of freedom of speech and realization of democratic reforms aiming at abolishing all violence.

WANG ZHEN MEETS WITH JAPANESE TRADE DELEGATION

OW061758 Beijing XINHUA in English 1450 GMT 6 Mar 85

[Text] Beijing, March 6 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship association, met a delegation from the Toppan Moore Company, Ltd. of Japan led by its Chairman Jiro Miyazawa and his party here this afternoon. Minister of Textile Industry Wu Wenying was present on the occasion. On March 3 Miyazawa signed a contract with the Chinese side on the establishment of a calculator technical development company in Beijing.

Meets Trade Official

OW071445 Beijing XINHUA in English 1432 GMT 7 Mar 85

[Text] Beijing, March 7 (XINHUA) -- Honorary President of the China-Japan Friendship Association Wang Zhen met Takamaru Morita, director general of the Japan Association for the Promotion of International Trade, here today. Morita is in Beijing to thank Chinese leaders for their condolences on the death of Aichihiro Fujiyama, chairman of the Japanese association.

Wang, who is also a member of the Political Bureau of the Central Committee of the Chinese Communist Party, said Fujiyama had contributed to the growth of Sino-Japanese friendship and that his meritorious deeds would be recorded in the annals of that cause. Morita said Fujiyama's work would be continued to further expand the two countries' friendship and economic and trade relations.

FURTHER ON PRESIDENT LI XIANNIAN'S BURMA VISIT

Taiwan 'Special Agent System'

HK080118 Beijing CHINA DAILY in English 8 Mar 85 p 1

[Report by our staff reporter Chen Guanfeng: "Li Promises Taiwan 'Greater Freedoms'"]

[Excerpt] Rangoon, Burma -- The reunification of China is a cause of common concern to all Chinese, and Overseas Chinese should also join in the effort and make contributions in their own way, visiting Chinese President Li Xiannian said here yesterday.

Taiwan will be allowed to enjoy an even greater freedom if it wishes to return to the motherland in the way Hong Kong will do, he said. "If Taiwan agrees, we will allow it to maintain all its existing political, administrative and military systems," Li said. "It can also keep its existing special agent system," Li promised in the Chinese Embassy where he met 80 Overseas Chinese representatives from all over Burma.

Li reiterated the country's constant policies on Overseas Chinese, saying that the government will not only make every effort to protect their legitimate interests, but also to seek co-operation from the countries where they live.

Return Yu Banquet Speeches

BK071416 Beijing International Service in Burmese 1130 GMT 7 Mar 85

[Excerpt] Chinese President Li Xiannian gave a return banquet at the People's Assembly Building in Rangoon on 6 March. Both President Li Xiannian and President U San Yu delivered speeches at the banquet.

President Li Xiannian's speech is as follows: [Begin recording in Mandarin fading into Burmese translation] Today is the "Sweet Dumpling" or Yuanxiao Festival for the Chinese people. According to our tradition, the night of the "Sweet Dumpling" Festival is an auspicious occasion because it is when family members get together. Since we are meeting with our Burmese friends tonight to speak about kindred and fraternal friendship, we do feel a great deal of closeness between us.

During our stay in Your Excellencies' country -- Burma -- you as hosts have been most generous in looking after our needs in all respects. We have been very happy, immersed in the warmth of kindred and fraternal friendship. We have met and greeted old friends, Chairman U Ne Win and President U San Yu, and have made many new friends. We have had sincere and friendly talks with Burmese leaders like President U San Yu and an extensive exchange of views on the international situation and on ways to develop bilateral relations. We hold similar views on a broad range of issues.

We jointly explored ways to step up our friendly cooperation, and both sides have full confidence in the prospects for bilateral cooperation in the political, economic, cultural, and other fields. We have seen and studied Your Excellencies' brilliant culture of the olden days and the pleasant and beautiful scenery, and we have in particular witnessed the innovative ways of the Burmese people in their national construction efforts. Our visit to Burma is a complete success.

Though our stay here is short, we shall never be able to forget the kindred and fraternal love of our Burmese hosts. We shall indeed take this noble love of the Burmese people back to the Chinese people. It is my deepest wish that the Chinese and Burmese peoples will continue to pass on from generation to generation a friendship that is everlasting like a green mountain and continuous like the ever-flowing waters.

Our old friend, Chairman U Ne Win, will be visiting China another time. I eagerly anticipate a meeting with Chairman U Ne Win in Beijing.

In conclusion, please join me in toasting the continuous development and strengthening of the friendly relations between China and Burma and the friendship between our two peoples, the health and long life of His Excellency Chairman U Ne Win, the health of His Excellency President and Madame San Yu, and the health of the Burmese friends here.
[end recording]

After the speech by President Li Xiannian, the band played the national anthem of Burma. President U San Yu then gave a return speech as follows:

[Begin recording] Esteemed Excellency and Madame Li Xiannian, distinguished guests and friends: We are very happy and honored for the sumptuous banquet tonight. I am also very delighted to meet Your Excellency and other Chinese friends before your departure from Rangoon.

We are most gratified at Your Excellency's enthusiastic words of friendship. Burma also has a strong desire to further develop Burmese-Chinese relations. We are firmly convinced that the kindred and fraternal friendship between the peoples of our two countries will definitely be enhanced in the coming years through our mutual efforts in accordance with the common aspiration of our two countries.

Your Excellency Mr President, during your stay here, Your Excellency has through genuine sincerity and friendship exchanged views on matters of mutual interest and on regional and international issues with U Ne Win, chairman of the Burma Socialist Program Party, and other Burmese leaders. It is most pleasing to note that our two countries hold similar views on most of the issues discussed. These talks must be said to be successful because the exchanges of views were held in a cordial, friendly, and frank atmosphere and with mutual respect and understanding. The talks were also beneficial to both sides and will further promote the friendly relations between Burma and China.

Your Excellency, tomorrow, Your Excellency and delegation members will begin a tour of places of cultural heritage and resorts in Burma. Although it is our desire to include more places in Your Excellency's itinerary to make it more complete, our wish remained unfulfilled because time has restrained us from doing so. Since the tour has been arranged in the best possible way within the available time, we do hope that it will be interesting and beneficial to Your Excellencies. If any time during the tour Your Excellency wishes to offer good advice or a suggestion, please feel free to do so.

Your Excellency, let me conclude by saying that when Your Excellency returns to China, please convey my regards to Chairman Deng Xiaoping, General Secretary Hu Yaobang, Premier Zhao Ziyang, Chairman Madame Deng Yingchao, and also please take back the love of the Burmese people to the Chinese people. [applause]

Distinguished guests and friends. Please join me in toasting the continued prosperity of the PRC, the longevity of the strong bonds of kindred and fraternal friendship between the Burmese and Chinese peoples, the well-being of His Excellency and Madame Li Xiannian, and the well-being of the distinguished guests and friends here. [end recording]

Visits Mandalay

OW071417 Beijing XINHUA in English 1337 GMT 7 Mar 85

[Text] Mandalay, Burma, March 7 (XINHUA) -- Chinese President Li Xiannian received a spontaneous rousing welcome this morning when he arrived in Mandalay, Burma's second largest city, on a sightseeing tour. As Li's motorcade drove along the four-mile-long main street from the airfield, he was jubilantly cheered by tens of thousands of brightly-dressed people who lined the route. Youth and school children aside, even red-robed monks and infants in their mothers' arms were among the flag-waving and slogan-chanting crowds.

Li and his entourage later went on a driving tour around the Mandalay Palace and the pagoda-crowned Mandalay Hill. The square palace ground, two miles long on each side, is said to be built on the model of China's Forbidden City. It is fenced with high walls and fortified with wide moat.

The city of Mandalay, founded in the mid-nineteenth century on the east bank of the Irrawaddy River, once served as the capital of Burma's last monarch, King Thibaw. Today it is one of the country's cultural and religious centres. This afternoon President Li flew to Pagan to continue his sightseeing trip.

Visits Sandoway

OW081248 Beijing XINHUA in English 1236 GMT 8 Mar 85

[Text] Sandoway, Burma, March 8 (XINHUA) -- Visiting Chinese President Li Xiannian and his wife Lin Jiamei arrived here from Pagan this afternoon for a two-day rest before leaving Burma for Thailand. Li was met here by Burmese President U San Yu and other top officials who journeyed from Rangoon to be with him during his rest.

Sandoway is a beautiful scenic spot in western Burma. The Ngapali Beach, seven kilometers away, has seen many important Chinese visitors in the last three decades, including the late President Liu Shaoqi and Premier Zhou Enlai as well as current leaders Deng Xiaoping and Zhao Ziyang.

Earlier today, the president visited two local pagodas in Pagan which is known as the city of four million pagodas. The Chinese president is scheduled to leave here for Rangoon next Sunday and then continue his journey the following day to Thailand, the second leg of his current Southeast Asian tour.

REPORTERS ON THAILAND'S WISH FOR PEACE, LI VISIT

HK071007 Beijing RENMIN RIBAO in Chinese 3 Mar 85 p 6

["Newsletter" from Thailand by a visiting team of RENMIN RIBAO GUANGMING RIBAO, and WEN WEI BAO reporters: "The Deepest Impression"]

[Excerpts] In Thailand, in February, it is bright and clear, the breeze gentle and caressing. It is the best season for travel. A few days ago, this team of reporters met in Thailand with people in political circles, entrepreneurs, youths, students, and ordinary people.

We also went to factories and rural areas and visited the Grand Palace, the Emerald Buddha Temple, the crocodile farm. We went for a row on the sea, feasting our eyes on the beautiful sea and mountain views... But what was the most profound impression left on us?

The people of Thailand want to resist intrusion by foreigners and to safeguard a peaceful life. This is the very image of the Thailand of today.

But in this era, marked by an unstable international situation, this Buddhist country in Southeast Asia is also disturbed by worries about its peace and safety.

This is because, with the support of a superpower, the Vietnamese Government has blatantly sent troops to occupy Cambodia, bringing the flames of war to the gates of Thailand. Up to a million refugees have fled to Thailand. Since November last year, the Vietnamese troops have also on several occasions intruded into the territory and the airspace of Thailand, meeting with counterattacks from Thailand's Armed Forces. We also learned in Thailand that the Vietnamese Army had used gas bombs on areas bordering Thailand. Vietnam has vainly tried to swallow Cambodia and thus lay claim to hegemony in Southeast Asia, greatly threatening Thailand's economic construction and social development efforts and national safety. Therefore, how to cope with this threat has become a problem of common concern to people in government and private quarters.

Many Thai whom we contacted all said that the aggressor's appetite is insatiable. Vietnam will not be satisfied with just the seizure of Cambodia. In the face of a robber, yielding for the sake of peace will only invite destruction. The only choice is to put up brave resistance. Apart from being prepared to deal with an intruding enemy, the government and people of Thailand have all along shown sympathy and support for the patriotic cause of the Cambodian people in their resistance against Vietnam. Basong [Ba Song 1572 7313], secretary general of the National Security Committee, firmly said to us: "We want to openly provide military support for the people of Cambodia until they drive the Vietnamese robbers out of their homeland."

In Southeast Asia, Thailand's bearing the brunt of Vietnam's great military pressure and all along taking an uncompromising stand of principle on the solution of the Cambodian issue has won the respect and admiration of the world. Therefore, Thailand plays an important role in uniting various ASEAN countries to win the support of the international community in a joint struggle against Vietnam's hegemonist policy.

The day we arrived in Thailand the special meeting of the foreign ministers of the six ASEAN countries had just begun in Bangkok. The meeting issued a solemn statement appealing to the international community to provide full support for the Coalition Government of Democratic Kampuchea, not only politically but also militarily, in the struggle against Vietnam. In answering our questions, Minister of Foreign Affairs Sitthi pointed out: "ASEAN has matured politically. The world now recognizes ASEAN as a bulwark of peace and stability in Southeast Asia."

Many well-informed people in Thailand know well that the two countries of China and Thailand now, to a great extent, speak a common language. Economically, both sides are devoted to national construction and are striving to improve the people's living standard. Therefore, they both need a peaceful international environment.

As far as the Cambodian problem is concerned, both sides fully support the Coalition Government of Democratic Kampuchea in its patriotic struggle against Vietnam and favor Vietnam's unconditional withdrawal from Cambodia, so that the people of Cambodia can have self-determination.... These common aspirations and demands exactly serve to form a firm basis for the development of the relations of the two countries and for further mutual support, trust, and cooperation.

Officials of the Foreign Trade Bureau of the Thai Ministry of Commerce told us that the volume of Thai trade with China this year is expected to reach \$400 million, a relatively large increase compared with the preceding year. Many entrepreneurs in Thailand have enthusiastically headed for China to negotiate business deals and to establish joint-venture factories. What is especially gratifying is that the Thai people are warmly looking forward to President Li Xiannian's visit. We are in full agreement with what Foreign Minister Sitthi said: President Li's visit "is an important milestone in the exchanges between our two countries and their peoples," and "will bring close cooperation and new harmony in the relations between Thailand and China."

The Thai people want peace -- this is the most profound impression left with us during our visit to Thailand.

SIHANOUK FORCES CHARGE SRV USING POISON GAS

OW081255 Beijing XINHUA in English 1227 GMT 8 Mar 85

[Text] Bangkok, March 8 (XINHUA) -- Vietnamese gunners yesterday used poisonous shells in attacking the positions of the Nationalist Sihanoukian Army (ANS) in Ta Tum camp in Oddar Meanchey Province, northwest Kampuchea. This was revealed to XINHUA here this afternoon by Truong Mealy, information section's head of Sihanouk's office.

More than 50 ANS fighters defending the line east of Ta Tum about three kilometers from Thai border, became victims of the poisonous shells. They felt dizzy and could not walk, he said. He disclosed that some 20,000 Vietnamese troops, under cover of heavy artillery fire, launched an all-out attack on Ta Tum to break the ANS defence lines this morning. But they were all beaten back.

Today's fighting was reportedly fiercer than yesterday's. All positions around Ta Tum headquarters were still in the hands of the ANS forces, he remarked. The attack on Ta Tum was the first Vietnamese assault on a Sihanouk camp in the current dry season offensive since last November.

AFGHAN RESISTANCE LEADER VOWS TO CONTINUE FIGHT

OWO72349 Beijing XINHUA in English 1444 GMT 7 Mar 85

[Text] Islamabad, March 7 (XINHUA) -- "The younger generations of Afghanistan will continue to fight for as long as three or four decades for freedom," said Sayyed Gaylani, president of the Afghan National Islamic Revolutionary Front here today.

"They will definitely not accept foreign domination at any cost," added Gaylani, also member of the Supreme Council of the three-party Islamic Alliance of Afghan Mujahidin, in an exclusive interview with XINHUA.

He pointed out that having fought their war in Afghanistan for the past five years and more, the Soviets still could not obtain what they want. They can never subjugate the Afghan people.

He said the Soviet winter offensive had been foiled. Their troops had to withdraw to their barracks after losing hundreds of soldiers in their attacks on Barikowt town in Konar Province. The Soviet-Karmal troops were also defeated in Paktia Province and compelled to pull back to Kabul and Gardez, the provincial capital.

The resistance, Gaylani said, is going on in all parts of the country including Kabul, southern Qandahar Province, western Herat and northern areas. With sharp contrast in weapons and supplies, the Afghan guerrillas do not hesitate in making all kinds of sacrifices to resist their enemy.

Asked about the recent Soviet reinforcements in Afghanistan, the resistance leader said that there are 150,000 Soviet troops in his country. In addition, many more troops are being sent in across the Afghan-Soviet border and going back after doing their military duties.

"The Soviets have not come into Afghanistan for occupying the country only. Its strategic objective is for the south, the warm waters and the oil-rich Gulf sea. It wants to make Afghanistan a base for further expansion in this region and elsewhere in the world," Gaylani remarked.

The Afghan resistance leader called for practical measures to exert more pressure on the Soviet Union by the peace-loving countries of the world, politically and economically, and provide more effective assistance for the Afghan people in their just struggle so as to force the Kremlin to withdraw its troops from Afghanistan.

CHEN MUHUA MEETS SRI LANKA RICE-PURCHASING GROUP

OWO71153 Beijing XINHUA in English 1030 GMT 7 Mar 85

[Text] Beijing, March 7 (XINHUA) -- Chinese State Councillor and Minister of Foreign Economic Relations and Trade Chen Muhua met a Sri Lankan rice-purchasing delegation here this afternoon.

The delegation, led by Lakshman de Mel, secretary of the Ministry of Trade and Shipping of Sri Lanka, is here to hold business negotiations and sign contracts with the China National Cereals, Oils and Foodstuffs Import and Export Corporation, with a view to increasing rice imports from China.

ZHANG JINGFU HEADS DELEGATION TO TURKEY

Meets Turkish Leaders

OW070829 Beijing XINHUA in English 0707 GMT 7 Mar 85

[Text] Ankara, March 6 (XINHUA) -- Turkish President Kenan Evren and Prime Minister Turgut Ozal received State Councillor Zhang Jingfu, head of the visiting Chinese Government economic delegation, on separate occasions this afternoon here. President Evren said relations between Turkey and China are and always have been good. However, he added, trade relations in the past have not developed as quickly as was desired and Turkey will import more goods from China in the future so as to consolidate their trade ties.

In his speech, Prime Minister Ozal said that although the political systems of Turkey and China are different, the two countries have shown many similarities in their national development. He said he would soon visit China to further develop the existing cooperative relations between the two.

Earlier this morning, Zhang Jingfu and his delegation which arrived here on March 5, laid a wreath at Mustafa Kemal Ataturk's mausoleum and the Ataturk Museum, in honor of the founder of the Republic of Turkey.

Erdem Fetes Delegation

OW071151 Beijing XINHUA in English 0710 GMT 7 Mar 85

[Text] Ankara, March 6 (XINHUA) -- Turkish Deputy Prime Minister Kaya Erdem gave a dinner here this evening in honor of the visiting Chinese Government economic delegation headed by State Councillor Zhang Jingfu. The Turkish deputy prime minister said in his welcoming speech that the current visit of the Chinese delegation will play a great role in promoting the existing friendly relations between the two countries.

The visit to China by Turkish President Kenan Evren in 1982 and Chinese President Li Xiannan's visit to Turkey last year have brought a new development of friendly relations between the two countries, he said. Zhang Jingfu said in reply that he was impressed by his talks with Turkish leaders during the visit.

The joint economic committee meeting is going on smoothly today and has achieved good results which were beyond expectations, he said. He said that the purpose of his visit is to enhance bilateral economic cooperation and to prepare for Turkish Prime Minister Turgut Ozal's forthcoming visit to China.

He expressed the hope that the two countries will increase the exchange of visits to further cooperations and mutual understanding.

Economic Cooperation Expanding

OW080733 Beijing XINHUA in English 0640 GMT 8 Mar 85

[Text] Ankara, March 7 (XINHUA) -- China and Turkey have agreed to expand their cooperation in economic, trade and technical fields this year. According to the minutes of the third meeting of the Chinese-Turkish joint economic and trade committee, which ended here today, both China and Turkey agreed to increase their trade volume to 100 million dollars in 1985. Turkey will import from China goods including wheat, rice, soybean, raw silk, steam coal, crude oil, machinery and equipment, while China will buy goods from Turkey such as tobacco, cement, chrome ore, fertilizers and cotton.

Both sides agreed to encourage contractors in their countries to collaborate in construction, engineering and consulting services in China, Turkey and third countries. They also agreed to provide facilities for reciprocal openings of company offices in each other's countries; encourage exchange visits of businessmen and trade delegations; and participate in fairs and exhibitions in each other's countries.

They agreed to exchange scientific and technical data as well as seeds and seedling specimens for scientific experiments. The Chinese-Turkish joint committee was set up in 1982 by the two governments and will hold its next meeting in China in 1986.

SHANGHAI'S WANG DAOHAN MEETS BRITISH TRADE GROUP

OW071217 Shanghai City Service in Mandarin 0100 GMT 6 Mar 85

[Text] Yesterday afternoon, Mayor Wang Daohan met and feted the British economic and trade delegation led by Minister Without Portfolio Lord David Young. Mayor Wang briefed the minister, Lord Young, on the foreign trade situation in Shanghai. He welcomed British entrepreneurs' efforts to cooperate with Shanghai and develop trade relations.

Lord Young expressed the wish to further develop economic and trade cooperation with Shanghai. Lord Young and his party arrived in Shanghai yesterday morning by plane from Beijing. (Yang Zhenghan), vice chairman of the Shanghai Municipal Foreign Economic Relations and Trade Commission, and others greeted them at the airport.

SHANDONG, BAVARIA SIGN ECONOMIC PROTOCOL IN FRG

OW080827 Beijing XINHUA in English 0704 GMT 8 Mar 85

[Text] Bonn, March 7 (XINHUA) -- China's Shandong Province and the Federal German state of Bavaria signed in Munich today a protocol on economic and technological cooperation.

The protocol, signed by Shandong Governor Liang Buting and Bavaria Vice Minister-President and Interior Minister Karl Hillermeier, expressed the desire of the two sides to increase cooperation in industry, communications, agriculture, forestry and fishery.

Governor Liang arrived in Federal Germany on March 1 for an 11-day visit.

DENG, HU MAKE REMARKS AT S&T CONFERENCE

Deng Addresses Group

OW072007 Beijing XINHUA Domestic Service in Chinese 1435 GMT 7 Mar 85

[Text] Beijing, 7 Mar (XINHUA) -- Comrade Deng Xiaoping delivered the following speech at the national work conference on science and technology today. We are here today to congratulate you on the success of the conference and express our respect for science, technology, and knowledge.

It was also in March, 7 years ago, that a national conference on science was convened. At that conference I delivered a speech in which I primarily discussed two points or two topics: One is that science and technology are part of the productive forces; the other is that China's intellectuals have become part of the working class. I discussed the two points at that time, because they were in dispute. Seven years have elapsed and the dispute has been solved. Who made this conclusion? The masses did in the course of practice.

I am very glad that even the peasants in mountain villages know today that science and technology are part of the productive forces. Although they may not necessarily have read my speech, in the course of practice they became aware that science and technology could develop the productive forces and make them prosperous. The peasants regard scientists and technicians as their brothers, helping them escape from poverty, and call scientists and technicians "gods of wealth." It is the peasants, not me, who invented the term "gods of wealth." However, what they mean to say is the same as what I said at the national conference on science.

I am also greatly pleased that our comrades in the scientific and technological circle have done a great deal of work in the last few years. The people are satisfied, and the whole world generally acknowledges that our country has done a pretty good job in the economy and that our situation is becoming better and better each year. You have a share in the economic achievements. The central authorities have asked you to work for economic construction. The scientific and technological circle indeed has contributed a great deal of effort. You comrades have not only made many achievements in science and technology; but while assuming an attitude of being the masters of your own affairs, you have also suggested many good ideas to the state. Our scientists, professors, and engineers are welcomed not only in factories, but everywhere. Wherever you are, people will ask for your advice on strategy, long-range outlook, and planning.

In our country's history of several thousand years it is unprecedented that our scientific and technological experts so extensively participate in the activities of creating economic and social policies. The political and social status of the scientific and technological experts in our country is greatly different from their past status. The more you do a good job and achieve, the more you will make people understand the value of knowledge and make them respect, learn, and acquire knowledge. People are appraising, through your work, the role of science and technology in the modernization program and the role of scientists and technicians.

At present we should take a further step to solve the question of integrating science and technology with the economy. By taking a further step, after solving the question of policy and understanding, we should also solve the question of structure. Last year the Central Committee made a decision on the reform of the economic structure. The whole world has commented on the decision and regards it as a courageous and a pioneering undertaking of the Communist Party of China. Now, the Central Committee will also make a decision on the reform of the scientific and technological system.

Your current conference has made the preparations for the Central Committee to make a decision on the reform of the scientific and technological system. The draft of that decision has been prepared under the direction of Comrades Yaobang and Ziyang. I think that it is a good document. The orientation of the document is identical to the orientation of the economic structural reform. Both the reform of the economic structure and the reform of the scientific and technological system are for the purpose of liberating the productive forces. The new economic structure should be conducive to technological progress, while the new scientific and technological system should be conducive to economic development. When the two reforms are undertaken simultaneously we can probably achieve a better solution of the longstanding question of the disconnection between science and technology and the economy.

In reforming the economic structure, the most important thing which I am concerned about is qualified personnel. In reforming the scientific and technological system, qualified personnel is my utmost concern.

On the question of qualified personnel, I will discuss only two points today. First, why don't we solve some problems each year for the intellectuals? We should truly solve the problems earnestly. Second, we should create an environment in which talented persons can display their gifts. The reform is precisely for the purpose of creating such an environment. Talented persons do exist. We should not stifle real talent just because talented people may not be versatile, or lack CPC membership, a good educational background, or qualifications and record of service. A primary indicator of a leader's maturity is whether or not he is good at discovering, uniting, and using talented people. All organizations should discuss these two points.

We have struggled for several decades in order to wipe out poverty. In the first step we should make people prosperous by the end of the century. In other words, we should make their livelihood neither rich nor poor, but better off. In the second step we should raise our country's economy near the level of the developed countries and improve the people's livelihood within 30 to 50 years after the end of this century. This concerns the interests of the whole. We should strive for a peaceful international environment, and overcome interference at home. What we can do is create the necessary conditions for you. We will overcome interference when there is interference. If we find that you are bound by something, we will help you think of a way to free yourselves from the bonds. However, the work has to be done by you. I hope that you will go all out to develop the economy and the productive forces.

Hu Encourages Development

OW072228 Beijing XINHUA Domestic Service in Chinese 1424 GMT 7 Mar 85

[By reporters Gu Mainan and Zhuo Peirong]

[Excerpts] Beijing, 7 Mar (XINHUA) -- The national work conference on science and technology came to a successful close at Huairan Hall in Zhongnanhai. Hu Yaobang, Zhao Ziyang, Peng Zhen, Deng Yingchao, and other leading comrades of the CPC Central Committee and the State Council attended the closing ceremony and met with participating comrades and representatives of the scientific and technological circles of Beijing. Comrade Deng Xiaoping delivered an important speech amid warm applause.

Comrade Hu Yaobang followed in speaking. Hu said: When Comrade Xiaoping gave his first speech it had not yet been 1 and 1/2 years since overthrowing the "gang of four," and the end of their dark autocracy.

He called on the whole party and people throughout the country to terminate the situation of ignorance. That speech of his has inspired our scientific and technological circles to make delightful contributions to the four modernizations. It has also aroused the enthusiasm among the people throughout the country for respecting and seeking knowledge.

Hu Yaobang said: Seven years have elapsed, and Comrade Xiaoping has just delivered his second speech today. He calls on us to continue to eliminate certain negative factors obstructing the development of science and technology, and to mobilize the mighty scientific and technological force in order to make even more brilliant contributions. If we describe what the scientific and technological personnel did during the last 7 years as a display of their talents for the first time, we may say that it is now time for them to give full play to those talents. Our party should do an even better job in clearing the way for the development of science and technology, and further bring into play the wisdom and talents of the scientific and technological personnel. In conclusion, Comrade Hu Yaobang urged the broad masses of comrades of the scientific and technological circles to foster lofty communist ideals and anticipate the needs of the four modernizations.

Comrades Peng Zhen, Deng Yingchao, and Bo Yibo also addressed the conference. Comrade Fang Yi presided over today's meeting. Present at the closing ceremony were Comrades Tianhu, Xi Zhongxun, Wang Zhen, Yang Shangkun, Yang Dezhi, Yu Qiuli, Zhang Tingfa, Hu Qiaomu, Yao Yilin, Qin Jiewi, Deng Liqun, Gu Mu, Chen Pixian, Hu Qili, Qiao Shi, Tian Jiyun, Wu Xueqian, and Song Ping, as well as other responsible persons of the departments concerned such as Song Jian, Lu Dong, Zhao Shouyi, He Dongchang, Yan Dongsheng, and Wang Zhaoguo.

HU QILI STRESSES FIGHTING NEW UNHEALTHY TRENDS

OW081102 Beijing XINHUA in English 1044 GMT 8 Mar 85

[Text] Beijing, March 8 (XINHUA) -- The second stage of the Communist Party consolidation will focus on correcting unhealthy tendencies which have arisen under the country's new circumstance, according to a conference held here by the Central Party Consolidation Guidance Commission. The meeting, held between February 28 and March 6, was attended by top party leaders including General Secretary Hu Yaobang. The second stage of the consolidation involves prefectural and country organizations -- a total of 13.5 million party members, or about one-third of the party's total membership.

Speaking at the conference, Bo Yibo, vice-chairman of the Consolidation Guidance Commission, said major unhealthy tendencies at present included party and government officials engaging in business, speculating in goods in short supply, illegally buying and selling foreign currencies, setting arbitrary prices, randomly distributing bonuses, and making undeserved promotions.

Hu Qili, vice-chairman of the Consolidation Guidance Commission and member of the party Central Committee's Secretariat, urged the party, government and military institutions at the central level to take the lead in eradicating these tendencies. Party committees at various levels and their secretaries will be held responsible for unhealthy tendencies in their organizations, he said. People who have committed serious offences should be given severe punishment and be criticized in the press, he warned, adding that they would be dismissed from their posts, or from the party when necessary. All unlawful profits should be recovered. Violations of the law must be punished according to the law, Hu stressed.

FURTHER ON 2D TAIWAN COMPATRIOTS CONFERENCE

Deng Yingchao Gives Speech

OW080001 Beijing XINHUA Domestic Service in Chinese 1226 GMT 6 Mar 85

[By RENMIN RIBAO reporter Zhang Lianxiang XINHUA reporter Zou Aiguo]

[Text] Beijing, 6 Mar (XINHUA) -- The second national meeting of representatives of Taiwan compatriots opened at the Great Hall of the People this morning. More than 200 representatives attending the meeting expressed their aspirations on behalf of the more than 25,000 Taiwan compatriots on the mainland: They would work hard and struggle unremittingly for the exaltation of the Chinese nation and the great cause of the motherland's reunification.

Deng Yingchao, member of the Political Bureau of the CPC Central Committee and chairman of the CPPCC National Committee, spoke at the meeting. She warmly greeted the convocation of the meeting on behalf of the party Central Committee and the State Council. Xi Zhongxun and Yang Shangkun, members of the Political Bureau of the CPC Central Committee; Zhou Gucheng, vice chairman of the Standing Committee of the NPC; Yang Jingren and Hu Ziang, vice chairmen of the CPPCC National Committee; and responsible persons of departments concerned also attended the meeting and extended their greetings.

In her speech, Deng Yingchao reiterated the principles and policies of the CPC Central Committee on fulfilling the great cause of peaceful reunification of the motherland. She said: The propaganda work toward Taiwan should be carried out in the spirit of seeking truth from facts; it should be clear-cut, and we should pay attention to practical results. We should make friends extensively in order to promote Taiwan's return to the motherland. She pointed out: We pin our hopes on the Taiwan authorities and people of various walks of life in Taiwan. She hoped that Taiwan compatriots would play an active role in the third exaltation of the Chinese nation and that the All-China Federation of Taiwan Compatriots would truly become "the home of Taiwan compatriots."

The current meeting of representatives of Taiwan compatriots is another grand meeting since the founding of the All-China Federation of Taiwan compatriots in 1981. Among the 220 representatives attending the meeting were model laborers and advanced workers who worked hard on various fronts for many years; scientists, technicians, medical workers, teachers, and commanders and fighters of the PLA who made achievements in promoting the four modernizations in recent years; and patriotic personages who returned to settle down on the mainland from Taiwan and foreign countries in recent years. During the session of the meeting, the representatives will summarize the work of the All-China Federation of Taiwan Compatriots over the past 3 years, elect a new council, and discuss future work.

Lin Liyun, chairman of the All-China Federation of Taiwan Compatriots, gave a summary on the federation's work at this afternoon's meeting. She said: In the past 3 years, the first council of the All-China Federation of Taiwan Compatriots has done a lot of work and made some achievements in accordance with the principles and policies of the central authorities on Taiwan's return to the motherland and the great cause of realizing the motherland's reunification in uniting Taiwan compatriots and Taiwan compatriot organizations at home and abroad.

Some achievements have been made also in actively promoting exchanges between Taiwan compatriots living abroad, in Taiwan, and on the mainland, in reflecting the wishes of Taiwan compatriots at home and abroad and making suggestions to the party and the government, in encouraging and assisting Taiwan compatriots to offer their services for the motherland's peaceful reunification and socialist modernization, and in strengthening the great unity of all nationalities.

Touching on future work, Lin Liyun said: Everyone has a responsibility in promoting the reunification of the motherland. As a bridge linking Taiwan compatriots at home and abroad, the All-China Federation of Taiwan Compatriots undertakes an unshirkable important duty.

On behalf of the first council of the All-China Federation of Taiwan Compatriots, she suggested that in the next 3 years the federation would further do well the work of uniting and contacting Taiwan compatriots on the mainland, implement the policy toward Taiwan compatriots in a solid manner, encourage and assist Taiwan compatriots to raise their scientific, technological, and cultural level, guide Taiwan compatriots to make great contributions to promoting the four modernizations and the reunification of the motherland, make more friends with compatriots on Taiwan island and elsewhere through various channels, enhance feelings of kinship, help Taiwan compatriots increase their understanding in the principles and policies of the motherland and the central authorities on the great cause of realizing the reunification of the motherland, publicize the party's principles and policies toward Taiwan compatriots at home and abroad and the achievements of construction work on the mainland in various forms, strengthen various organs of the All-China Federation of Taiwan Compatriots, step up the building of the Taiwan Hall and other service facilities, and turn the All-China Federation of Taiwan Compatriots into "a home for Taiwan compatriots."

Vice Chairman Hu Ziang of the CPPCC National Committee delivered a speech at the meeting on behalf of the CPPCC National Committee.

Wang Chonglun, vice chairman of the All-China Federation of Trade Unions, also delivered a speech at the meeting on behalf of the All-China Federation of Trade Unions, the All-China Women's Federation, the CYL Central Committee, the All-China Federation of Industry and Commerce, the China Federation of Literary and Art Circles, the China Association for Science and Technology, the All-China Federation of Returned Overseas Chinese, and the Chinese Writers Association. They all warmly greeted the meeting's convocation.

Peng Zhen Meets Delegations

OW071235 Beijing XINHUA Domestic Service in Chinese 0256 GMT 6 Mar 85

[Text] Beijing, 6 Mar (XINHUA) -- Leading comrades including Peng Zhen, Deng Yingchao, Xi Zhongxun, Yang Shangkun, Chen Pixian, Huang Huoqing, Zhou Gucheng, Zheng Tianxiang, and Yang Yichen at the Great Hall of the People this morning met with representatives attending respectively the second national meeting of representatives of Taiwan compatriots, the national meeting to commend advanced collectives and individuals of courts at various levels, and the national meeting to commend advanced collectives and individuals of procuratorial organs, and had pictures taken with them.

Yang Jingren and Hu Ziang also took part in the meeting with representatives attending the second national meeting of representatives of Taiwan compatriots.

WANG ZHEN, FANG YI PRESENT AWARDS TO WORKERS

OW080202 Beijing XINHUA Domestic Service in Chinese 1414 GMT 7 Mar 85

[By reporter Gu Honghong]

[Excerpts] Beijing, 7 Mar (XINHUA) -- This reporter made the acquaintance of a number of capable people in Beijing today. They are not the type of advanced persons people used to know. They are very intelligent and possess rich pioneering spirits. These capable people attended the national meeting of the nonferrous industrial model workers, which ended this afternoon. Wang Zhen and Fang Yi, members of the Political Bureau of the CPC Central Committee, as well as Wang Deying, Wang Chonglun, Qiu Chunpu, Fei Ziyi, and other leading comrades presented awards to them and other model workers.

Three-fifths of the model workers who received awards have college or secondary specialized school education, and more than half are technical or managerial cadres. All of them have made outstanding achievements in their respective work assignments.

WAN LI JOINS AFFORESTATION DRIVE IN HENAN

Speaks at Committee Meeting

OW071051 Beijing XINHUA in English 1032 GMT 7 Mar 85

[Text] Zhengzhou, March 7 (XINHUA) -- Vice-Premier Wan Li called yesterday for a more thorough national approach to afforestation. The interests of future generations matter more than superficial success, he told the fourth plenary session of the Central Afforestation Committee here in the capital of Henan Province. There has been no basic national ecological improvement, he pointed out, despite some local successes.

He called for long-term afforestation to be stressed in rural areas where farming, industry and sideline production gave quicker results. The current policy, whereby trees belong to whoever contracts to plant mountain areas, has encouraged a rush to do so.

By the end of 1984, over four million families had contracted to afforest 26 million hectares, a dramatic increase in a few years. Tree cover last year was 31.4 percent more than in 1983. Larger cities planted 120 million trees last year, up 9.1 percent over 1983, and 30 million square meters of grass. Many planted street gardens.

Northern China had afforested 5,333,000 hectares between 1978 and the end of 1984, fulfilling 87 percent of the first stage of the northern afforestation scheme. This involves a six-million-hectare shelterbelt system called the "green great wall" across 396 counties in 12 provinces, municipalities and autonomous regions.

Committee Adopts Decision

OW072109 Beijing XINHUA in English 1633 GMT 7 Mar 85

[Text] Zhengzhou, March 7 (XINHUA) -- Vice-Premier Wan Li headed Central Greening Committee members to join a tree planting drive in Zhengzhou, capital of Henan Province, today.

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The Central Greening Committee met in Zhengzhou to review achievements in the national tree planting drive over the past few years. They planted trees on the Mangshan hill on the bank of the Yellow River, now a tourist attraction.

Vice-Premier Wan Li planted four trees, noting that he would see to it all of them would survive. He said that the tree planting drive would continue for generations to come.

Earlier today, the Central Greening Committee adopted a decision, calling on all collective units and individuals in China to plant trees to commemorate events as part of the national afforestation drive which aims at improving the country's ecological balance. The decision says that it is also of great significance in improving ethics.

Planting of commemorative trees is a tradition in China. Since 1949, many woods and trees have been planted to mark holidays, friendship, graduation, marriages, employment and childbirths. Land will be designated for Hong Kong and Macao compatriots, Overseas Chinese, and foreign personnel who wish to take part in the activity, the decision says. Diplomatic representatives of 15 countries and seven foreign state delegations have planted commemorative trees on an international forest farm set up in 1984 near the Ming Tombs.

GUANGMING RIBAO DISCUSSES GUIDANCE PLANNING FORUM

HK070437 Beijing GUANGMING RIBAO in Chinese 17 Feb 85 p 3

[Report by Ji Shi: "Guidance Planning Is an Important Form of the Planned Economy -- Roundup of the National Forum on Guidance Planning" -- capitalized passages published in boldface]

[Text] The national forum on guidance planning, sponsored jointly by the China Planning Society and the Planned Economy Research Center and the Economic Research Institute under the State Planning Commission, was recently held in Fuzhou. The forum discussed issues concerning the expansion and correct implementation of guidance planning.

THE EXPANSION AND CORRECT IMPLEMENTATION OF GUIDANCE PLANNING IS THE KEY LINK TO THE REFORM OF THE PLANNING SYSTEM. The comrades attending the forum held the consensus view that guidance planning is an important way for China to implement a planned economy. This is because guidance planning appropriately reflects the objective demands of the planned commodity economy. The expansion and implementation of guidance planning mean extending the decision-making power of enterprises, enhancing the vitality of enterprises, consciously following and applying the law of value, attaching importance to the role of market mechanism, serving the planned development of the national economy, strengthening the elasticity of the entire economic plan, and promoting the coordinated and proportional development of the national economy as a whole.

The forum of guidance planning is advantageous to the combination of the planned economy with the commodity economy, planned mechanism with market mechanism, state policy decisions with enterprise policy decisions, and the interest of the whole with that of the part, which appropriately reflects the demands of the integration of unification and flexibility of the socialist planning system.

Many comrades held that guidance planning is a specific form for implementing a planned economy. It embodies the demands of the state's policy decisions on planning and overall balance and is realized by mainly relying on economic levers, economic policies, and economic measures.

Guidance planning is different from mandatory planning as well as from market regulation and simple economic forecast. Compared with mandatory planning, guidance planning is not administratively coercive and direct in nature. The policy decisions of guidance planning are determined by both the state and the enterprise. Generally speaking, the state will not adopt direct or coercive measures to interfere in the management and operation of enterprises, but will give guidance and exercise control over enterprises by adopting the indirect methods of readjusting the economic benefits so as to produce the necessary economic pressure and stimulation and urge the enterprises to link their plans with the goal of the state plan. The focus of the state's planned management and readjustment is the actual value of products and not the quantity of products. Its readjustment is elastic and mobile and not rigid and static. Therefore, such a planning form is characterized by adaptability and flexibility and is realized mainly by relying on horizontal connections and markets.

Compared with market regulation, guidance planning is economically restrained to a certain extent. It is realized by the state by consciously applying the law of value and the role of market mechanism in a planned manner and by adopting economic, organizational, and the necessary administrative measures. Compared with the simple economic forecast, guidance planning is not referred to merely for the relaying of economic information or the objective description of the economic development trends. It simultaneously reflects the principles, policies, and objectives of the party and government for developing the national economy and embodies the demands of overall balance and laws of socialism. Therefore, in our practical work, we should not confuse the implementation of guidance planning with simple economic forecasts or the economic forecast plans in capitalist countries.

The scope of guidance planning covers the extensive fields beyond mandatory planning and market regulation. Guidance planning is applicable to the production field as well as the circulation and construction fields; to the economic activities as well as science and technology, culture, education, and other social development undertakings; to material management as well as value management; and to the management of micro-cosmic economic activities as well as that of macrocosmic economic activities. Guidance planning does not operate in isolation; neither is it completely separated from mandatory planning and the various economic activities entirely regulated by the market. They intermingle with each other and are interrelated. Therefore, we can only make a rough division for the scope of guidance planning. In our practical work, we should organically combine the various management forms and flexibly put them into practice.

Different views concerning these problems were also expressed at the Forum. Some comrades held that guidance planning was merely the relaying of information and was a matter for reference only, which had no binding force. Otherwise, it would easily become mandatory planning in disguised form. Some comrades held that guidance planning should mainly control the targets of value and should mention the overall targets of the whole country instead of separating the targets and submitting the plans of enterprises to the higher levels for coordination. Some comrades held that in light of different circumstances, the state should fix floating prices for some of the important products which are under guidance planning so as to readjust the activities of enterprises, while some others held that prices should be set free and enterprises should be allowed to make policy decisions and organize economic activities by themselves in light of economic information and market supply and demand.

THE KEY TO THE MATTER IS TO MASTER AND TO BE GOOD AT APPLYING THE ECONOMIC MEANS OF REGULATION. The comrades attending the forum unanimously held that giving full play to the regulative role of the economic means is the core of the implementation of guidance planning. In order to correctly implement guidance planning over a wide range, the key to the matter is to master and to be good at applying the economic means of regulation. The comrades put forward the following proposals for better applying the economic means:

1. It is necessary to realize comprehensively the scope of the economic means of regulation, which include two aspects: First, pricing, taxation, credit, financial subsidies, wages, bonuses, and profits which link up the economic benefits of various respects in the formation of value; and second, some funds, foreign exchange, and important goods which are directly under state control. The state should regard the funds, foreign exchange, and important goods under its control as the important means for guiding, readjusting, and controlling the economic activities. Some comrades also added that the economic means should include economic policies and other economic measures.
2. It is necessary to understand correctly the functions and role of the economic lever. The economic lever can perform the functions of wholly or partly readjusting the social economic life. In other words, the role of the economic lever can be manifested in the macrocosmic field as well as the microcosmic field. In our economic work, we should simultaneously attach importance to the functions and role of the economic lever and never try to emphasize one thing at the expense of another.
3. The application of the economic lever should be closely combined with the state plan. In this respect, we should take note of the following three factors: the independent and connective nature of various economic levers; the economic and administrative nature of the economic lever; and synchronization and unification in applying economic levers and operating the state plan. The comrades unanimously held that the application of the economic lever and the relevant targets of value should be brought into line with the unified plan of the national economy and social development and that the economic lever should penetrate through the links of establishment, implementation, and readjustment of guidance planning so that it can genuinely become an organic component part of the state plan.
4. It is necessary to strengthen comprehensive research and application of the economic lever. The comrades held the consensus view that it is imperative to adopt organizational measures to strengthen comprehensive research and application of the various economic levers. Many comrades made the following suggestions: First, the planning departments at all levels should take the lead and hold joint meetings of various economic lever functional departments to maintain overall balance. Second, governments at all levels should establish a special authoritative organ for the comprehensive research and application of the economic lever and correspondingly regard the planning departments at various levels as its concrete working bodies.

LEADERS ATTEND MEETING HONORING WORKING WOMEN

Ulanhu, Others Greet Women

OW071423 Beijing XINHUA in English 1306 GMT 7 Mar 85

[Excerpts] Beijing, March 7 (XINHUA) -- One hundred and fifty women, regarded as outstanding in their fields, were commended today at a meeting to mark International Working Women's Day which falls on March 8. The meeting was attended by 1,400 prominent Beijing women, and party and state leaders.

The 150 plant directors, scientists, representatives of specialized households, doctors and teachers who have distinguished themselves in socialist construction, particularly in the on-going economic reform, were greeted by Chinese state and party leaders Ulanhu, Xi Zhongxun and Wang Zhen at Zhongnanhai before the meeting. Certificates of merit were then presented to them at the gathering in the auditorium of the Chinese People's Political Consultative Congress.

Hao Jianxiu, alternate member of the Secretariat of the Chinese Communist Party Central Committee, extended her congratulations to the 150 model women workers, and sent her festive greetings to women across the country.

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On behalf of the commendees, Hou Jianping, director of the Shanghai hand-knitted sweater plant, called on women throughout the country to shoulder the responsibilities of the present era, get involved in the reform and train themselves to become experts in the fields of science and technology; economics and management. She stressed that by eschewing backward ideas, women should pursue a healthy, civilized and scientific way of life, to become model mothers of exemplary families.

[A similar report by XINHUA Domestic Service in Chinese at 1240 GMT on 7 March adds that Chen Muhua, alternate member of the Political Bureau of the CPC Central Committee; Kang Keqing, chairman of the All-China Women's Federation; Lou Qiong, Lei Jieqiong, Li Wenyi, Guo Liwen, Lin Liyun, Ngapoi Cedain Zhoigar, and Wang Xiuying, vice chairman of the All-China Women's Federation were present at the meeting.]

Hao Jianxiu Women's Day Speech

OW080539 Beijing XINHUA Domestic Service in Chinese 1307 GMT 7 Mar 85

[Speech by Hao Jianxiu, alternate secretary of the CPC Central Committee Secretariat, delivered on 7 March 1985 at the All-China Women's Federation commendation meeting commemorating the 75th anniversary of International Working Women's Day on 8 March]

[Text] Beijing, 7 Mar (XINHUA) -- Comrades, sisters: With great feelings of joy, we, the women of various circles in the capital, and the outstanding representatives of the women of all nationalities and all circles from various parts of the country, are gathered here today to solemnly commemorate the 75th anniversary of "8 March" International Working Women's Day. At this meeting, the All-China Women's Federation has commended and awarded the 150 advanced women who have made prominent contributions in the four modernizations drive and in reforms. Here, on behalf of the party Central Committee and the State Council, I extend warm congratulations to the commended and awarded comrades. I congratulate you on your outstanding achievements and the great honor you have made and won. I also extend festival greetings and cordial regards to female comrades and sisters of all nationalities on all fronts throughout the country, and my deep gratitude to all comrades who have shown warm concern for and supported the women's movement.

All "8 March" red-banner pacesetters and all national advanced women who have come to the force in the course of reform, who are here to attend this meeting have come from various areas and trades and enterprises. You are outstanding representatives from all fronts. In the course of socialist modernization and economic reform, you have demonstrated the spirit of working selflessly and unyieldingly, the spirit of studying hard and fearing no difficulty, the spirit of daring to make inventions, explore things, and reform things, and the revolutionary spirit of serving the people wholeheartedly and not seeking personal gain. All this is a concentrated expression of the new mental outlook and noble quality of China's working women. Your new mental outlook and noble quality have won the admiration and respect of the party and the people and are worth emulation by women of all nationalities throughout the country. I hope that you treasure your honor and continue to make sustained and redoubled efforts to advance and make new contributions. I hope that you continue to play a leading role in uniting the masses of women in forging ahead together.

We believe that after this commendation meeting, more and more advanced personnel and more and more morally good and able outstanding female plant managers, entrepreneurs, scientists, and female leading authorities and competent female personnel of various trades and enterprises will certainly emerge following the further progress in China's economic development and reforms in the various fields of work.

The present political and economic situation in our country is very good and is improving every day and every year. Political stability and unity have been consolidated with each passing day. There has been sustained, stable, and coordinated development of the national economy, and the standard of living of the people in both urban and rural areas is gradually improving. A scene of vitality and prosperity can be seen everywhere in our great motherland. These results were achieved by the people of all nationalities in our country, who were united and worked hard to create new things under the leadership of the party. However, these results would have been impossible without the concerted efforts of the masses of our country's women. The women of all nationalities on all fronts throughout the country have worked hard and performed meritorious services in creating an excellent situation in our country. They have made important contributions to the motherland and the people in the course of the four modernizations drive and reforms in various areas.

This year is the first in which the people of all nationalities throughout the country are earnestly implementing the decision of the 3d Plenary Session of the 12th CPC Central Committee on reform of the economic structure. The party Central Committee will also make the two other decisions to begin the restructuring of the educational system and the system of scientific and technological work. Therefore, we are shouldering even more arduous, but glorious, tasks in the new year. The economic reform is being conducted positively, prudently, firmly, and systematically. As it involves various spheres, trades, and enterprises and affects everyone, the reform is a very complex undertaking in which the masses are engaged in exploring and blazing new trails. Not only will the reform cause major changes in the economic life of the people, but it may also bring about drastic changes in people's lifestyle and mental outlook. Thus, in our social life as a whole we will experience a great push, great stimulation, and great competition.

At the same time, the reform is also a motive force propelling China's contemporary women's movement forward. The reform not only accords fully with the immediate and long-range interests of our country's people, but also with the fundamental interests of China's women. China's women urgently call for reform, and reform cannot be carried out without their participation. The masses of women, who are known as "the better half," should further emancipate their minds, be more eager in forging ahead, and be bold in taking the lead in reform by demonstrating tenacity in blazing new trails. We believe that China's working women, who have a glorious revolutionary tradition, inexhaustible wisdom, and who are hardworking, will continue to make new and unprecedented contributions in the four modernizations drive and in the reforms in various spheres and will add new colors to reinvigoration of the motherland and the rapid development of the Chinese nation.

I hope that all levels of party and government leaders and women's organizations show more concern for women in the spheres of ideology, study, work, and livelihood and enthusiastically support them in taking part in reforms. In pondering problems or doing anything, we must not, at any time, forget the important role of women, who account for half of our country's population.

Comrades, sisters: While commemorating the 75th anniversary of International Working Women's Day which falls on 8 March and while observing our festive day, we extend festive greetings to our female compatriots in Taiwan, Hong Kong, and Macao as well as to our sisters residing overseas. We must strengthen our ties and cooperation with them and make common contributions to the great cause of our motherland's early reunification. We also extend warm greetings to working women throughout the world. We must strive to promote understanding and friendship between us and them and join them in the struggle for the noble cause of safeguarding women's rights and interests and of defending world peace and the progress of mankind.

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Comrades, sisters: The new era dictates that we must work hard to make our country prosper. The masses of women should adopt a new attitude toward uniting as one and work assiduously to make new contributions to effecting the third leap forward for the Chinese nation at the end of this century and to building a strong, modern socialist country with distinctive Chinese characteristics.

MINISTER ON PLA STREAMLINING, HELP FOR RETIREES

OW071137 Beijing XINHUA in English 1100 GMT 7 Mar 85

[Text] Beijing, March 7 (XINHUA) -- Cui Naifu, minister of civil affairs, told a national conference here this morning that local governments should take good care of retired military officers. Attending the conference, called by the General Political Department of the People's Liberation Army and Cui's ministry, under the auspices of the State Council and the Central Military Commission, were leaders of all provinces, autonomous regions, municipalities, military areas and various military arms and services.

Cui said that efforts to make arrangements for the military retirees should be redoubled and the pace stepped up. To implement the Central Military Commission's directive on trimming administrative staff and upgrading the fighting ability of the armed services, the Army has in recent years abolished the Engineering Corps, merged the Railway Corps into the Railway Ministry, streamlined the headquarters staff and merged some local troops into the Public Security Ministry. Retirement of the older military officers would be another step in the streamlining effort, he said.

The minister also asked local governments to help the newly demobilized soldiers find housing and see to the welfare of their family members.

MILITARY COMMISSION OFFICIAL INSPECTS TROOPS

HK071446 Chongqing CHONGQING RIBAO in Chinese 26 Feb 85 p 1

[Report by Lai Chaoshu: "Yang Shangkun Stresses Discarding 'Leftist' Influence To Make Party Rectification a Solid Success During an Inspection Tour to Chongqing"]

[Text] Yang Shangkun, member of the CPC Central Political Bureau and vice chairman of the CPC Central Military Commission, made an inspection tour in Chongqing from 23 to 25 February. When giving a speech to responsible comrades of the PLA units stationed in Chongqing, he emphasized that the party rectification must be made a success in a down-to-earth manner.

After arriving in Chongqing, Comrade Yang Shangkun first listened to the reports on economic reform in Chongqing city and on the city's plan for development by Liao Bokang, Yu Hanqing, and Xiao Yang, responsible comrades of the city CPC Committee and the city government. He then visited the Jianshe machine tool plant, the Changan machine-building factory, and the Hongyan revolutionary museum.

During his stay in Chongqing, Comrade Yang Shangkun also listened to the reports on the building of the PLA units delivered by Yang Anzhong, commander of the PLA units in Chongqing, and Ai Weiren, political commissar of the units. Yang Shangkun gave important instructions after listening to the reports. He pointed out that the first-stage party rectification has achieved satisfactory results and that units involved in the second-stage party rectification should pay attention to the application of their experiences and should accumulate fresh experiences.

The most important point is to thoroughly get rid of "leftist" things. He said: Great efforts must be made to ensure success in party rectification. Only by carrying out party rectification successfully can the Army consolidate its internal unity and the unity between the Army and local governments and people.

Comrade Yang Shangkun said that the structure of the Army must be streamlined. This is a matter that concerns the overall situation of the Army. Education should be conducted to make all soldiers and commanders more conscientious in taking into consideration the overall interests and submit themselves to the needs of the overall situation. In addition, the Army should break new ground in developing production, but its economic activities must conform with laws and the public interests. The Army should actively support civilian units in their economic construction. He said: I completely agree with the action of the PLA units in Chongqing to offer aid to the Xiangyang second tunnel project. This will not only take an active part in socialist construction, but will also cultivate dual-purpose talented people.

On the afternoon of 25 February, Comrade Yang Shangkun received all cadres at and above the division level and some cadres at the regiment level of the PLA units in Chongqing and had a group photo taken with them to mark the occasion.

ECONOMIST XUE MUQIAO EXAMINED ECONOMIC REFORM

HK080538 Beijing JINGJI RIBAO in Chinese 6 Mar 85 pp 1, 2

[Report by contributing correspondent Xue Xiaohu: "Properly Handle the Two Reforms and Overcome the Two Gusts of Ill Wind -- Xue Muqiao on Economic Reforms in the Current Year"]

[Text] How are things going in the current economic reform? What is the focus of the economic reform this year? What problems in the reform are worth noting? With these questions in mind, this correspondent visited economist Xue Muqiao.

Comrade Xue Muqiao, in his eighties, is an active advocate of an economic reform. He first reviewed the economic situation of the past few years. He said: "The past few years have witnessed great developments in the national economy. Great achievements have been scored in the economic reform. The whole situation is very favorable. This provides a favorable opportunity for reform." On the current year, the venerable Xue said: "This is a year of reform. There is a shift in emphasis in our work. First, there is a changeover from readjustment to reform in economic work. Second, the focus of reform is changing over from the countryside to the city. Now the urban economic reform must be launched in an overall manner. This will take about 5 years. This is the first and most important year. This first step is of great importance. So we must fight the first battle with prudence and win."

The Central Task Calls For Strengthening Enterprise Vitality and Getting Rid of Two "Defects"

On the tasks related to the urban economic reform, the venerable Xue said: "The task central to the urban economic reform calls for strengthening enterprise vitality, enlarging enterprise decision-making power, and establishing an economic responsibility system, so that enterprises can become relatively independent economic entities operating on their own with responsibility for profits and losses. Allowing enterprises to be relatively independent in operating on their own accounts is more complicated than in the case of the countryside.

"This is because enterprise profits and losses are not entirely determined by their subjective efforts since many objective factors are involved, with irrational pricing a main one. The irrational pricing of products and raw materials has affected the profit levels of various enterprises, making it impossible to correctly reflect the economic results of given enterprises. This makes it very difficult for enterprises to be responsible for their profits and losses. Therefore, to enliven the enterprises, reform of the existing pricing system is inevitable. Meanwhile, we must introduce in enterprises the economic responsibility system and reform the existing irrational wage system, overcome egalitarianism, and gradually introduce remuneration based on a large or smaller contributions. I once said that our state's economic organism had two defects, one the wage system and the other the pricing system. The economic organism cannot develop healthily unless these defects are eliminated. Therefore, we must enlarge enterprise decision-making power and establish in enterprises an economic responsibility system, so that enterprises can show a real sense of responsibility to the state and workers a real sense of responsibility to enterprises. To this end, we must readjust prices and reform the wage system."

Speaking at this point, the venerable Xue raised his voice and said: "What I am talking to you about today may be called an appeal to the people throughout the country to show concern over the economic reform. Why? Because the reform of the wage system and the pricing system bears on the relations between the state and the enterprises and the relations between the enterprises and the workers. This also has a great impact on the masses of peasants. Therefore, this reform is a major issue bearing on the personal interests of the people throughout the country. As the success of this reform is everyone's hope, we must set straight the relations among the state, the enterprises, and individuals. We must consider state interests first, then enterprise interests, and finally personal interests. If state interests are sacrificed to enterprise or individual interests, then the reform will go along and even fail. Certain socialist states have learned this lesson."

The correspondent then asked the venerable Xue about his understanding of wage and price restructuring and the problems in reform worth noting. The venerable Xue made things clear one by one.

To Properly Handle the Two Reforms, We Must Overcome the Two Gusts of Ill Wind

On the pricing problem, the venerable Xue said: "The people now welcome reform but also want price stability. It is right to stabilize commodity prices. But commodity price stability does not mean freezing commodity prices. In the past, the state subjected agricultural products to imposed purchase quotas, unified state purchase quotas, and specially assigned purchase quotas. The result was that the more controls there were, the scarcer things became. Grain and cotton had to be imported and there was a great shortage of market supplies. Now the law of value is being used in setting prices. The regulating role of market forces has been enlarged. Production is showing great development. Grain and cotton have begun to be available for exporting. Market supplies are much more plentiful. Which situation is better after all? I believe that the people themselves will make the correct judgment."

"Given enlarged enterprise decision-making power, in improving profits, we must start with such practices as lowering costs, improving quality, turning out the right products for the market, and seeking more sales with lower profit margins. We must in no way resort to such means as marking up prices, illegal trading, and so forth for the sake of enterprise or individual interests. While enlivening enterprises and the markets, we must strengthen market control. Flexibility and control do not clash but complement each other. We must ban such practices as marking up commodity prices, speculation and manipulation, and illegal trading."

On the wage problem, the venerable Xue said: "In this year's wage reform, the wage system mainly based on duties has been introduced in state organs and institutions. In enterprises, we must gradually promote total wages being linked with taxes handed over to the high levels. In sum, we must start with overcoming egalitarianism and make a transition to remuneration based on bigger or smaller contributions. Wage increases must be brought into line with the development of production. The past few years have seen the very rapid development of production and also relatively big wage increases. But wage increases cannot exceed the growth of production. Last year, the increase in wages exceeded the growth in production. The extra money put into circulation is likely to have an impact on the market giving rise to a trend toward a shortage of commodities which were originally in relatively abundant supply." At this point, the venerable Xue became solemn as he said: "In the fourth quarter of last year, especially in December, some units randomly raised wages and freely handed out bonuses and goods seeking thus to raise the wage base and obtain more wages this year. This is entirely a case of serving the partial interests of enterprises to the detriment of state interests as a whole. If such phenomena are not rectified, the wage reform will become a mess. Moreover, given the circulation of more money, if purchasing power surpasses the supply of market commodities, the control of commodity prices will become difficult. Therefore, the practice of randomly raising wages and freely handing out bonuses will not only disrupt the wage reform but also interfere with market supplies and commodity price adjustments. This phenomenon must be resolutely corrected; otherwise the progress of our economic reform will be adversely affected, causing serious consequences."

Let the Masses See the Harm of Freely Handing Out Bonuses and Things

Continuing, the venerable Xue pointed out: "Freely marking up commodity prices, freely raising wages and freely handing out bonuses and things -- all these are unhealthy trends. The practice of freely handing out bonuses and things, if left alone, is likely to cause greater harm than freely raising commodity prices. Freely raising prices is everyone's anathema and is thus opposed by everyone. But freely handing out bonuses and things, unlike the former practice, is not likely to meet with everyone's opposition. The result is that given an excessive bonus payout far exceeding commodity growth, commodity prices will keep going up. At this time, many people still do not know that rising commodity prices are traceable to the random distribution of bonuses as a fundamental cause. They still refrain from opposing the free distribution of bonuses, while opposing increase in commodity prices. Thus, things will be made worse and worse. It is hoped that the people across the nation will understand that the control of consumption funds is an important guarantee for stabilizing commodity prices. Without preventing the free distribution of bonuses, we cannot possibly stabilize commodity prices, thus bringing setbacks to the two reforms involving prices and wages.

"If we want to maintain a sustained increase in the consumption level, we should regard control over market prices and over the free distribution of bonuses and things as our own duty. Relevant state organs must also strengthen control over the entire system and management. The consumers association recently established can also play an active role in this respect. Of course, more bonuses should be awarded to those people who make great contributions. More bonuses should also be handed out to those enterprises that chalk up very high economic results. What I oppose is the distribution of undeserved bonuses to those people who do not make great contributions and those enterprises which do not register very high economic results."

It Is Most Necessary To Prevent Loss of Control in Two Respects

Near the end of his talks, the venerable Xue once again stressed the problems in reform worth noting. He said: "In carrying out reform in a socialist state, it is most necessary to guard against two points. The first is loss of control over capital construction investment. The second is loss of control over the distribution of consumption funds. It is hoped that the people throughout the country will pay great attention to these two points."

EDITORIAL LISTS 5 CHANGES TO ENLIVEN ENTERPRISES

HK080504 Beijing JINGJI RIBAO in Chinese 6 Mar 85 p 1

[Editorial: "It Is Necessary To Establish New Concepts in Developing the Commodity Economy"]

[Text] In a recent national economic work conference, the State Council clearly pointed out that an urgent task in our economic work is to invigorate large and medium-sized enterprises. On what should we rely to invigorate these enterprises? We should first rely on the guidance of correct theory and the coordination of correct policies. The "CPC Central Committee's Decision on Reform of the Economic Structure" makes it clear that the socialist economy in our country is a planned commodity economy. According to this correct theory, the State Council has formulated a series of policies for expanding the decision-making power of the enterprises. These policies provide the external conditions for invigorating the enterprises. Furthermore, we should rely on the initiative of leading cadres at all levels, especially the leading cadres of the enterprises, who can shake off the yoke of long-standing stereotyped ideas and can organize and carry out economic activities in line with the characteristics and requirements of the commodity economy, thus changing the enterprises for exclusively productive entities into economic bodies that not only carry out production but also business operations and investments. To ensure this point, we should effect at least the following five changes which are interrelated:

First, we must terminate the separation of our economic work from market activities and must have a concept of markets. For a long time in the past, our economic departments were accustomed to just direct enterprises by issuing mandatory plans and adopting administrative means; and our enterprises were accustomed to just "wait for instructions from above, depend on state appropriations and unified distribution, and obtain materials and resources from the state's supply department." Plans were laid down by the higher authorities; materials were transferred and distributed by the higher authorities; and products were all bought and then sold by the commercial departments. The enterprises merely performed the functions of production passively. This is the root cause of the unwidely structure and bureaucratic style of the economic departments, of the inertia of the enterprises in their operations, and of the serious waste mainly in the form of excessively stockpiling products. Henceforth, enterprises will really become relatively independent commodity producers and dealers, and they must take the initiative in organizing their production and marketing actively and promptly in light of the market needs.

Second, we must terminate the blind handling of production and construction without regard to costs and must have a strict sense of input and output. Under the previous system characterized by the practice of "eating from the same big pot," the enterprises often contended with each other for starting up more new projects, for more state investments, and for more raw materials. Their acquiring of things allocated by the higher authorities was all legal, and they were not required to bear any responsibility for the economic results and efficiency of these state appropriations. As a result, the state "sowed much but reaped little." Henceforth, commodity production must be conducted on the basis of achieving the maximum output by making the minimum input. The sequence and quantity of input should be determined in light of the speed and amount of output. We should not continue those businesses which require high investment but fail to yield any returns or yield returns very slowly.

Third, we should change our previous method of basing our business operations solely or mainly on our own funds and should establish a new financial concept of basing our operations more on contracting loans.

In the past, the enterprises were accustomed to using state investments and appropriations which bore no interest, and they were not accustomed to contracting loans with banks which required them to pay interest. They feared to take any risks, so they could handle their production or business operations only on the basis of the funds in their hands and had no interest in making more profits but just let many golden opportunities slip away. However, under the conditions of the commodity economy, funds from the money markets are the best supplement to the enterprises' own financial resources. The development of commodity production can never do without the financial support of the banks. The key is that the enterprises must be good at using money.

Fourth, the concept of "peaceful coexistence" in business operations, in which the backward is protected and the poor can exist together with the good, should be discarded. To replace it, we should establish a concept of competition, in which the good will win and the poor will be eliminated. In the past, when enterprises all depended on the "big pot" of the state, they were treated equally no matter whether their business was good or bad. The "buffaloes" which worked hard might be "whipped" more. This stifled the dynamics and vitality of the enterprises to a serious degree, hindered technological progress, slowed down the improvement of product quality, worsened the social economic results, and did harm to the interests of the consumers. Now as we promote the commodity economy, we should advocate and encourage proper competition, which will inevitably lead to the successes of the good and the failure of the bad. Only by producing readily marketable goods of high quality and low price and by offering good services can the enterprises exist, develop, and survive competition. Not only should we participate in competition in domestic markets, but should also brave the storm of the fierce competition in international markets. It is hard to win a foothold in the commodity economy without a sense of competition and the art of competition.

Fifth, we should overcome the old idea of paying attention only to material factors to the neglect of human factors and should have a concept of developing intellectual resources. Technical innovations, management improvements, and the achievement of better business results all require more talented people. Talented people are the most valuable resources. All entrepreneurs of foresight are good at selecting, cultivating, suing, and cherishing talented people. This is one of the decisive factors in competition. In the final analysis, competition between the enterprises is competition in their possession of intellectual resources. Those who neglect the development of intellectual resources are doomed to fail in competition.

In addition, there are some other relevant concepts, such as the concept of information, the concept of time and opportunities, and the concept of law. The above five points, however, are basic concepts that we must quickly establish so as to instill splendid vitality in our enterprises, especially large and medium-sized ones.

BEIJING RIBAO: CHECKING NEW UNHEALTHY TENDENCIES

HK070859 Beijing BEIJING RIBAO in Chinese 26 Feb 85 p 1

[Commentary by Gao Chilan: "Do Not Compare in This Way"]

[Text] A new unhealthy tendency has appeared recently: Some organs, enterprises, and institutions have indiscriminately given out bonuses and bonuses in kind to their staff and workers and compared themselves with each other in this respect, fearing that they may lag behind.

As a result, more and more bonuses and bonuses in kind have been given out under various names. When one unit distributes fruit, another unit would distribute prawns; when one unit distributes bookcases, another unit would distribute sofas; when one unit gives 100 yuan as a subsidy, another unit would give 300. Now it is time for us to check this unhealthy tendency without delay.

Some people hold that since our country is a socialist country, it is not a bad thing to distribute more bonuses and bonuses in kind to the staff and workers and to seek more benefits for them. It is all right that all economic activities of our socialist state are aimed at satisfying the increasing needs of the people in their material and cultural lives, so that their livelihood can be gradually improved with the continuous growth of production. Since the 3d Plenary Session of the 11th CPC Central Committee, our party has been doing this. According to an investigation of 9,060 workers' families in 47 cities, the per capita income for their living expenses in 1983 was 526 yuan. This was an increase of 66.5 percent over 316 yuan in 1978. If the increase in prices and other factors are taken into consideration, the actual rate of increase of this income was 7.4 percent per year. Such a high rate of increase is rare throughout history. However, the people's standard of living as well as their wages, bonuses, and benefits can be increased only by developing production rather than by reducing the indispensable construction funds of the state; the growth rate of their per capita income must be lower than that of labor productivity; and the increase of their consumption funds should suit the increase of the means of subsistence.

If we do not control the increase of the consumption funds of the staff and workers, the consequences will be very serious. First, it will affect the balance of the state's revenues and expenditures. Second, if the increase of the consumption funds exceeds that of the means of subsistence, it will naturally affect market prices. Thus, it will certainly infringe upon the fundamental interests of the entire people.

Some people hold that compared with the high wages of the staff and workers in developed capitalist countries, the wages of China's staff and workers are very low; therefore, we must increase wages as soon as possible and distribute more bonuses. Some other people even hold that we must adopt the policy of high income and high consumption right away. This is an unrealistic comparison. At present, some comrades have failed to understand the whole situation about the life of the staff and workers in the developed capitalist countries. They only know their today, and do not know their yesterday; they only know their status quo, but do not know how it has been achieved.

Since the establishment of the capitalist system, the developed capitalist countries have gone through a very long history. For example, Britain has a history of more than 300 years, and the United States and Japan, more than 100 years. In the 19th century and earlier periods, the workers led a hard life in these countries. In "Das Kapital," Marx vividly described the life of the British workers in the 19th century. The narrow houses the British workers lived in at that time and the hard living conditions and long work hours are all unimaginable today. Fundamentally speaking, their present living standards are a result of the development of productive forces. Of course, it is also inseparable from the struggles of the working class. However, even to this day, not all the workers there are rich. There are also many poor people, which is officially recognized. China was a semifederal and semi-colonial country before liberation. Its economic development was more than 100 years behind the developed capitalist countries.

Judging from the angle of historical development, 35 years is but a very short period. However, in such a short period, we have made great progress, which is generally acknowledged. Nevertheless, it is impossible for us to catch up with the developed countries in respect to economic development within a very short period of time.

This needs our long-term hard struggle. Therefore, we must not make unrealistic comparisons between our living standards and those of the workers in capitalist countries.

Some people hold that as so many 10,000-yuan households have appeared in the countryside and the peasants have become prosperous, now it is time for the cities to become rich. This is another wrong comparison. In the eyes of these comrades, there are 10,000-yuan households everywhere in the countryside. This is a great misunderstanding.

Since the 3d Plenary Session of the 11th CPC Central Committee, as a result of implementing the system of contracted responsibilities with payment linked to output, the living standards of the peasants have actually increased greatly. Compared with the staff and workers in the cities, their livelihood has improved faster. However, as the countryside was very poor in the past and the peasants' income was very low, despite the comparatively faster increase of the peasants' income over the past few years, there are still very few peasants whose incomes are higher than others. Those who get a net per capita income of more than 500 yuan a year constitute only 11.9 percent of the total rural population. As to the 10,000-yuan households, they are even fewer. On the other hand, those who get a net per capita income of less than 150 yuan still constitute 7.6 percent of the total rural population. Their problems concerning clothing and food have still not been solved.

The reason why these comrades have made such an unrealistic comparison is that they have made an inappropriate estimation of the peasants' income and do not really understand that the increase of the peasants' income is chiefly a result of their assiduous labor after implementing the system of contracted responsibilities with payment linked to output, which has greatly aroused their enthusiasm. In order to get rich, our enterprises and staff and workers must also work hard and make great efforts to increase labor productivity and economic returns. Only thus can they lay a solid foundation for an increase in living standards.

Still some comrades hold that since other units have distributed so many bonuses, they must also give out more bonuses and bonuses in kind. This is a kind of blind comparison that does not take objective conditions into consideration. Last year, our country began to carry out the second step of reform to substitute taxes for delivery of profits. In addition, the State Council issued 10 regulations on expanding the decision-making powers of state enterprises. Under these circumstances, some enterprises that have achieved better economic results have retained more funds than other enterprises after fulfilling the tasks of turning taxes and profits over to the state. They have thus drawn more welfare and award funds according to the state regulations. This is allowed. However, even these enterprises must take both the development of enterprises and the increase of workers' income into consideration and must not distribute all the funds they have retained.

They must control the increase of the consumption funds of their staff and workers so that it does not exceed that of the labor productivity in their enterprises. Only thus can they retain an appropriate proportion of funds for the development of the enterprises. This conforms to the fundamental interests of the staff and workers. Since the enterprises which have achieved less economic returns have retained less funds after turning over taxes and profits to the state, they should not compare themselves with those which have achieved better economic results in respect of wages and bonuses.

Now the problem is not how much larger is the quantity of bonuses and subsidies enterprises that have achieved better economic results have distributed through normal channels, but the sources of the consumption funds for indiscriminately distributing bonuses, subsidies, and bonuses in kind which are not appropriate, as a result of the inappropriate comparisons between enterprises.

For example, in order to indiscriminately distribute bonuses and bonuses in kind, some units have retained some profits which should be turned over to the state or have evaded taxes; some have indiscriminately raised cost prices and product prices; and some have used the floating funds, which are indispensable for the enterprises, and production funds. What is more, some units have resold certain goods that are in short supply through illegal channels in order to seek exorbitant profits and then distributed their gains to their staff and workers under all sorts of pretexts. Obviously this is an act of appropriating public property and infringing upon the interests of both the state and the consumers. The broad masses of staff and workers who earnestly wish to see our country prosperous and strong will not do this.

China's current economic situation is very good. This new unhealthy tendency is but a minor aspect of an excellent situation. We believe that provided all cadres and staff and workers gain a deep understanding of the harmfulness of this new unhealthy tendency and adopt resolute measures to resist it, the problems will not be difficult to solve.

STATE COUNCIL PUBLISHES LOAN REGULATIONS

OW080927 Beijing XINHUA in English 0906 GMT 8 Mar 85

[Text] Beijing, March 8 (XINHUA) -- New regulations aimed at improving credit management and protecting the interests of both financial institutions and borrowers were published by the State Council today. The regulations say that once a loan contract is concluded, all parties involved must implement its articles and carry out the respective commitments specific in the contract. The borrower may not use his loan for purposes other than those specifically laid down in the contract, and must pay the capital and interest on time, state the regulations on loan contracts, which will come into force on April 1. The bank is entitled to oversee the use of loans and inquire into the borrowers' operations and management, accounting and storage arrangements.

The regulations apply to loan contracts signed between banks or credit cooperatives and individuals, as well as to those of institutions and state-owned and collective enterprises. Bank loans in China are extended at low interest rates to stimulate production and business operations. For example, the annual interest rate of loans provided by the China Industrial and Commercial Bank is 7.2 percent, and that of loans for upgrading technology and equipment is as low as five percent.

13 CHARGED IN FUJIAN, SHAANXI FORESTRY FRAUD

HK080607 Beijing CHINA DAILY in English 8 Mar 85 p 3

[By staff reporter]

[Text] Three men -- two farmers and one forestry technician -- have been arrested and 10 forestry officials suspended from their duties by the judicial authorities in Fujian and Shaanxi Provinces on charges of initiating or assisting in a forestry fraud, involving more than one million yuan. Chen Zhunkun and Ling Wanjin -- both farmers engaged in the seedling trade in Fuqing Country of Fujian Province -- allegedly bribed Zhang Shunzheng -- forestry technician of Shangluo Prefecture, Shaanxi Province -- and four other Shaanxi forestry officials into buying nearly 200 tons of decayed Chinese pine seeds for afforestation in Shaanxi Province, in the spring of 1984 when the Shaanxi officials visited the Fuqing seedling farm.

Zhang and the other officials allegedly took bribes in cash, one cassette recorder and 15 watches from the farmers and bought the decayed seeds at a price as high as 5.8 yuan per kilogram, without making any quality inspection.

The seeds were later used in an afforestation drive in four counties in Shaanxi last year. Some of them were used in airborne seeding and some were sold to rural treeplanters. None of the planted seeds showed any sign of growth, causing direct financial loss of more than one million yuan to the state and the private tree-planters.

A subsequent investigation by the provincial discipline and judicial authorities showed the seeds had been resold five times since they were first collected by Farm Produce Corporation of Liaoning Province in May 1981. First sold at 0.14 yuan per kilogram, the decayed seeds were finally sold at 5.8 yuan per kilogram -- 40 times their original cost to the Shaanxi Forestry Bureau.

The arrested men will stand trial on the charges, while the suspended officials have been ordered to make self-criticism pending disciplinary actions.

CONFERENCE DISCUSSES EXPANDING AIR SERVICE

OW080600 Beijing XINHUA Domestic Service in Chinese 1518 GMT 7 Mar 85

[By reporter Zhang Jinsheng]

[Text] Beijing, 7 Mar (XINHUA) -- According to the national civil aviation conference, which is still in session, from now on aviation enterprises owned by the whole people will act as the mainstay in the nation's civil air service. Furthermore, to mobilize all positive factors, various regions, departments, and enterprises will be encouraged to invest in the development of civil air service so that air service will be set up at various levels and so that a new situation will be created in which the mainstay aviation enterprises coexist and develop together with local and small aviation enterprises.

It has been learned that the administration of China's civil aviation will be restructured this year in accordance with a plan approved by the State Council. On the basis of separating government control and enterprise management, simplifying administration, and delegating greater authority to lower departments, any current administrative measure that does not keep up with the needs in developing productivity will be changed or replaced by a new measure that is vigorous and lively. As air service is urgently needed in the Shanghai-Nanjing-Hangzhou economic zone, the eastern coastal cities, the Guangdong special economic zones, and Hainan Island, local departments will be encouraged to invest in and be shareholders of the central air transport enterprise, as well as the China airlines, which will be based in Beijing, and the eastern, southern, southwest, northern and northwest airlines, which are in preparation and which will be based respectively in Shanghai, Guangzhou, Chengdu, Dalian, and Xian. Certain provinces may also set up independent airlines to handle their air service.

The meeting stressed that local air transport enterprises must be properly operated. It said: In addition to developing provincial and regional air services, the Xiamen and Xinjiang airlines operated jointly by central and local authorities must also improve air service between Xiamen and Guangzhou and between Xiamen and Shanghai; inaugurate the Urumqi-Beijing, Urumqi-Shanghai, and Urumqi-Guangzhou air services, and institute charter air service between Xiamen and Hong Kong. Moreover, preparations will be carried out to set up the Capital Helicopter Company of China and specialized air services, which will be operated by local authorities or some departments.

The national civil aviation conference also disclosed that, to improve the management of civil aviation enterprises, ensure flight safety and protect people's lives and property, CAAC will inspect, one by one, all airlines, which have already been organized, or whose organization has been requested, in accordance with the State Council's relevant regulations. It said: Those airlines which pass the inspection will be licensed, and those which cannot will have their operations suspended and will be charged to shape up within a set time.

NEW AIR TRANSPORT CORPORATION OPENS FOURTH ROUTE

HK080611 Beijing CHINA DAILY in English 8 Mar 85 p 2

[By staff reporter Zhao Jinming]

[Text] The China Air Transport Corporation will open a new route between Beijing and Huiyang County tomorrow to relieve strains on air traffic between the capital and Guangdong Province. The route will be the corporation's fourth line. The other three connect Beijing to Wuxi via Nanjing, Beijing to Hangzhou and Beijing to Fuzhou. The corporation operates two flights on each route every week.

The Beijing-based corporation was established last September by the China National Communications and Transport Association and the Kaili Corporation. Its maiden flight began last December.

In the first two months' of operation, the corporation scheduled more than 100 flights and carried more than 6,500 passengers and 100 tons of cargo; said Du Yongchun, company president and general manager. Du said the company's aim is to improve air service to China and supplement the role of the Civil Aviation Administration of China.

"We intend to open new lines to Shanghai, Yichang City in Sichuan Province, Zhengzhou City in Henan Province and Shiyan City in Hubei Province," he said. The corporation has also set up branches in the cities of Hangzhou Fuzhou and Shenzhen as well as Shandong Province and Xinjiang Uygur Autonomous Region.

The corporation has spared no effort to improve service and flight safety. The corporation sells round-trip tickets and provides passengers with lodgings on the first day of their arrival in Beijing. The corporation's reservation offices are open 24 hours a day and telephone bookings are also available.

WOMEN FACE EMPLOYMENT BIAS; AIR HEAD FAVORS MEN

HK080609 Beijing CHINA DAILY in English 8 Mar 85 p 3

[By staff reporter Tan Li]

[Text] Female job-hunters who want to work for China's national airline have seen their hopes nosedive this week. The women head of CAAC's Beijing crew department says that although she sympathizes with female graduates who are discriminated against in the allocation of jobs, she herself will be employing more men in the future.

Hao Yuping, 30, said: "As a manager, I am in favor of employing more men." Male employees have higher attendance rates than women, as the women are always asking for leave for a variety of reasons, she said.

"Many of the stewardesses never fly their full 80 hours per month, which is a headache for me. Besides, men are more capable of doing the chores on the large aircraft such as the Boeing-707 and 747," she continued.

Hao also told CHINA DAILY that her crew department plans to recruit a larger proportion of male crew members this year.

Meanwhile, Li Gangzhong, president of the Beijing Women's Federation told CHINA DAILY in another interview, that prejudice against women in employment in all sectors has been prevalent for many years. The federation stands firmly behind women in their battles against discrimination, and it will make every effort to safeguard women's rights, she declared.

The federation is also providing women with practical help. "We have been trying to give women help with heavy household chores so that they can concentrate more on their work," Li said.

Last year the federation set up more than 16,000 nurseries, organized after-school care staffed by retired teachers, and continued to promote the establishment of home help agencies. Some 3,800 young home help agencies [as published], who come primarily from the countryside, were put in touch with families who needed their services.

COAL MINISTER ON ACQUIRING NEW KNOWLEDGE

HK010915 Beijing BAN YUE TAN in Chinese No 2, 25 Jan 85 pp 7-9

[Article by Gao Yangwen, minister of coal industry: "An Important Way To Acquire New Knowledge -- Thoughts on Reading the Report on Comrades Yaobang and Ziyang Going to the Grass-Roots Level"]

[Text] A leading person, no matter what kind of work he is charged with, has his own leading method, or art of leadership. Although different leading persons have different leading methods and different styles of leadership, all of them must observe a common rule, that is, to enrich their own knowledge at all times and fill their minds with new questions and new things. New questions borne in one's mind may urge one to find solutions, and new things which fill one's mind may attract one to study them. A leader with an empty mind or with a mind filled with outdated experience and old things is certainly incompetent and is bound to lag behind the development of the times. And such a leader may become a stumbling block.

I am more assured of this after reading the report on Comrades Yaobang and Ziyang's investigation and study tours at the grass-roots level. Despite his advanced age of 80, Comrade Xiaoping often goes deep among the masses at the grass-roots level to find out problems and make investigations.

Comrades working in grass-roots units are direct practitioners. Plenty of new things and problems keep on emerging in their units and all these are very valuable "nourishment" to a leader. The more a leader is exposed to these new things, the more nourishment he will absorb. Nourishment will be transformed into wisdom which in its turn gives rise to new viewpoints, new guidelines, new policies, and new methods. And, in the meantime, a leader may discover talented people in his contacts with the grass-roots units. Why were we able to make such great progress and why was our society able to develop at such a high speed after the 3d Plenary Session of the 11th CPC Central Committee? I think an indispensable factor was the leadership method of our leading people on the CPC Central Committee and the State Council who regularly go deep to the grass-roots units.

I myself have had such experience. In the early 1950's when I transferred to the Ministry of Metallurgical Industry, I knew nothing about the metallurgical industry. I did not know how a pump worked, still less how large equipment such as blast furnaces or rolling mills operated. What did I have to do then? I just went straight to mines and plants to learn from comrades at the grass-roots level. I brought along with me some textbooks and learned from practice. Thus very soon I fully understood many principles and formulae which I had failed to understand when I stayed in the office.

The experience that I obtained in grass-roots units and the knowledge that I learned from practice filled up my empty mind and taught me how to think over, discover, and handle problems. At that time some comrades praised me for my intelligence and speed at learning industrial knowledge. I said: It was not my brains but the really rich "nourishment" available at the grass-roots level that enabled me to learn quickly. Any stupid person will become clever as long as he is eager to learn, and new ideas will naturally come to his mind.

My practice over the past 30-odd years has told me that one of the important ways to learn new knowledge and to equip oneself is to visit grass-roots units frequently and stay there to find out about the real situation.

After I passed my 62d birthday 5 years ago, I was transferred by the party to the Ministry of Coal Industry. Although I was not as completely ignorant of the coal industry then as I was ignorant of the metallurgical industry in the 1950's, I honestly knew little about it. As soon as I took up my new post, I was faced with many hard nuts to crack and was simply at a loss. Take the industrial safety problem as an example. There were three serious gas explosions in less than 3 months after I assumed office. I had never encountered any severe situation like this before in my life. How could we ever develop China's coal industry? How could we extricate ourselves from the predicament and give full play to our initiative instead of following the beaten track? These were the questions that I had to answer. How could I be worthy of the title of responsible person of the coal industry if I failed to answer these questions?

At first I stayed in the office of the Ministry of Coal Industry for 1 month to learn from comrades working there and to extensively solicit their opinions. However, I found that there were great differences of opinion among them and the knowledge I had learned there was mostly the same as what I had already known. So, I decided to go to grass-roots units instead of staying in the office, so I could get away from the "mountain of documents and sea of meetings" and absorb "nourishment" from the grass-roots level. I traveled around for a while, made surveys inside and outside the mines, and talked with cadres, intellectuals, veteran model miners, and young people working in grass-roots units. I also traveled abroad to meet a wide range of people in coal producing countries. So my knowledge of coal production increased rapidly, my mind was filled with a series of questions ranging from the past, the present, and the future of the coal industry to foreign experience in this field, and new ideas began to emerge. After further cultivating these ideas, I gradually found a new road for the development of the coal industry. I set forth my viewpoints and ideas, publicizing and elaborating them repeatedly and patiently and asking for other people's comments so that I could improve my proposals.

I compared my proposals with the central authorities' guidelines and policies over and over to make sure that my ideas were in keeping with what the central authorities were thinking. As soon as my ideas became more mature, I began to test them through practice to find out whether they conformed to reality, were acceptable to the vast number of staff members and workers, and could stand the test of practice. This process has gone on for 4 years and is not yet completed. And my ideas still need to be constantly enriched and improved in practice under the guidance of the central authorities' guidelines and policies.

While I am in favor of the idea that leading cadres should absorb "nourishment" from grass-roots units, I do not mean to deny the importance of book learning. Acquiring a wide range of knowledge from books is equally important to a leader. Knowledge acquired from books can serve as both "nourishment" and a theoretical basis. A man reading books and having poor knowledge can never present new ideas since he can hardly recognize the creativity of the masses even if he stays in grass-roots units all the time. Our leading comrades of the central authorities and the State Council can quickly absorb and digest "nourishment" from grass-roots units and the masses' wisdom and can quickly set forth new guidelines and policies because they have read plenty of books, have acquired rich knowledge, and are well equipped with Marxist-Leninist theory. In this respect I am merely a beginner and still need to learn much from them.

OFFICIALS VIEW FUTURE DEPENDENCY ON COAL

HK070809 Beijing CHINA DAILY in English 7 Mar 85 p 4

["Special to CHINA DAILY" by Su Ming, councillor of the State Economic Commission, and Liu Jingtong, chief of the Shanxi Energy Base Planning Office Under the State Council]

[Text] China has rich reserves of energy. Coal deposits stand at more than 750 billion tons, which at current exploitation rates will last for at least 500 years. The outlook for oil is also very good. With oil resources elsewhere in the world gradually diminishing, exploitation of oil in China is still in its infancy.

Hydro-electric resources can potentially supply an estimated 300 million kilowatts, most of which has yet to be exploited. Prospects are also bright for other energy resources, such as natural gas, nuclear, solar and wind energy, and the recent trend towards using marsh gas in rural areas. In the long run, China has sufficient energy reserves to meet the needs of its economic development.

In recent years, energy production has developed tremendously. During the Sixth Five-Year Plan (1981-1985), the increase in average annual coal output was about 5 percent, doubling the rate envisaged in the plan. Electricity energy output increased by similar rates, and oil output reached 114 million tons in 1984. Energy saving has also made significant progress.

But power shortage is still a big problem, especially in the northeast, industrial coastal areas and central southern China. Energy supply will have to see a rapid increase in the near future on account of rapid developments in the raw material sector, domestic electrical appliances and the service trades.

Large-scale investment is not available to solve the problem, so it must be dealt with by appropriate policies and measures.

Traditionally, coal has always been China's major source of energy. In the 1950s, coal provided 90 percent of the country's needs, though this has dropped to 70 percent in keeping with development of oil, natural gas and hydro-electric power since the 1960s.

These figures will probably carry through until the next century. The emphasis in the immediate future needs to be on improving the exploitation and transport of coal.

China's main coal reserves are in the north and the west, but the areas which need it most are the coastal areas, the northeast and the central south. Coal must therefore be transported to the south and east from the north and west.

In the 1950s, an attempt was made to change this by investing in small low-quality mines in the southern provinces. This failed and coal shortages in the industrial areas along the coast became even more acute.

This lesson has taught us the inevitability of long-distance coal transport. In 1983-1984, the State Council decided to establish an energy base covering Shanxi, northern Shaanxi, Western Inner Mongolia, Ningxia and western Henan.

This area covers only 12.2 percent of the whole country, but it contains more than 500 billion tons of coal, most of it rich in variety, good quality and easily reached.

Its deposits far exceed those in the American Appalachians, the Soviet Donbas and West Germany's Ruhr. It contains over 70 percent of the total estimated coal deposits of the country. Most of the coal from this area is sold elsewhere. Therefore, speeding up the development of this coal base is of great importance to China's modernization programme.

Opening up medium and small-scale mines in this area is the best policy for speeding up coal production. In recent years, 90 percent of the increase in coal production came from mines managed by local townships and villages.

Transport however, remains the key problem, and besides building new railways and waterways, development of special ports also need to be speeded up.

Currently, 10 railways out of the coal-producing areas are under renovation and another two trunk lines are planned. One from Datong in Shanxi to the coastal city of Qinhuangdao in Hebei is already being built.

All the major sources of electricity need to be developed. The disadvantages of hydro-electric power are that it needs large investment, it is affected by the water supply, and most of China's hydro-electric potential is concentrated in southwest China, far from areas which need electricity most. Nuclear power needs even greater investment and is still in its infancy in China.

The inescapable conclusion is that the development of electrical power in China must depend, in the near future, on coal, without forgetting the environmental protection this will entail. Reliance on the state solely for the investment needed to solve the energy problem is not practicable. The general principle is for all interested parties to raise funds with support from the state.

Farmers should be encouraged to pool funds for small scale mining enterprises. State and local authorities should both be responsible for building roads and railways. Funds can also be raised by factories and other big energy consumers for building power stations. Foreign investment should also be encouraged. The more the better. Moreover, coastal provinces and cities should be encouraged to invest in mines and factories in the energy base areas, while the latter can use their energy resources, raw materials and primary products to invest in coastal enterprises.

Energy prices, especially the price of coal, are currently too low in China. They need to be adjusted and made more flexible. Electricity prices inside the base areas should be allowed to be lower than those outside, as this will attract investment to open up mines, expand the production of raw materials and develop high energy consuming industries.

Control and guidance are needed for the development of medium and small-scale coal mines. The delineation of areas and appropriate rules and regulations need to be drawn up by the government and departments, so that the use of energy resources can be made more rational and efficient.

MINISTRY CHIEF: MORE GASWORKS NEEDED IN CITIES

HK080603 Beijing CHINA DAILY in English 8 Mar 85 p 4

[Article from the journal URBAN AND RURAL CONSTRUCTION: "Ministry Chief Stresses Need for More Gasworks"]

[Text] China must have more gasworks in her cities, said Chu Chuanheng, deputy head of the Ministry of Urban and Rural Construction and Environmental Protection, in a speech to a nationwide conference on increasing the country's gas production. Excerpts from his speech follow:

The first gasworks in China was built in Shanghai in 1864. By 1949, only nine cities, most of them in the northeast, had gasworks and people with gas fittings in their homes were no more than 270,000. All these gasworks were built with foreign investment, their equipment was outdated and output capability was very low.

During the First Five-Year Plan (1953-1957), the number of gasworks increased greatly because more coking furnaces were built due to the development of the metallurgical industry. After 1965, with large scale exploitation of oil and natural gas, gasworks in the cities again increased.

Since the third plenary session of the party's 11th Central Committee in December 1978, top party and government leaders have stressed the need for more gasworks. In 1980, the government allocated a special fund for energy-saving measures and gave active support for the recovery of waste gas from factories and mines. At the same time, more investment was made available for construction of new gas resources.

In 1983, a nationwide planning committee was established for converting coal. According to a survey at the end of the same year, 98 cities -- roughly a third of the total -- had gas facilities, and 21 million people were using gas.

The use of gas in private homes now saves 3.2 million tons of coal every year, as well as 42 million yuan in government subsidies for coal.

According to current estimates, by the end of the Seventh Five-Year Plan (1986-1990), more than 60 percent of the inhabitants for China's 50 major cities and 70 percent in Beijing, Tianjin and Shanghai will be supplied with gas. By 2000, it is expected that 70 percent of all the urban population and nearly all cities and medium-sized towns in the country will have gas.

The gas supply management system will have to be transformed to achieve these goals. In the past, the law of value has been ignored in regulating municipal gas supplies, and the price of gas has been reduced again and again.

As an example, the price of gas in Shanghai before 1949 was 0.216 yuan per cubic metre, it is now 0.07 yuan. About 100 of the gasworks in the country operate at a loss, and the government subsidies which are their means of survival have to be stepped up every year.

Liaoning's seven gas companies make a total annual loss of more than 40 million yuan. In fact, the more gas they produce, the greater their losses. In Beijing, if a family of four uses coal for cooking, the cost will be about four yuan per month, bottled gas will cost three yuan; and mains gas only two yuan.

This irrational pricing must be changed. As a first step, prices of gas for industrial and public use should be raised. Prices of gas for private homes should remain unchanged for the present, except in some cities where gas is ridiculously cheap.

In the future, construction and modernization of gasworks should be included in national five-year and annual plans. Projected gasworks that will produce more than 300,000 cubic metres of gas per day should be included in the national fixed assets investment plan. Gasworks which utilize low-quality coal should be given priority in the allocation of materials and funds. In "open cities" and in cities where conditions are suitable, foreign investment could be accepted for building gasworks.

Gas production technology in use at present is rather backward, comparable to that of advanced countries in the 1950s. The training of technicians and the renovation of existing equipment must be emphasized, and advanced technology and equipment from abroad should also be imported.

PAPER URGES SOCIAL SCIENTISTS TO AIR OPINIONS

HK270453 Beijing CHINA DAILY in English 27 Feb 85 p 4

[Text] In China, research in the social sciences used to be a risky business. Social scientists who aired views and opinions differing from current propaganda were relentlessly criticized during the "Cultural Revolution." As a result, some people engaged in the social sciences still fear making "political" mistakes.

Published in WEN HUI BAO, an article by Jiang Binghai, of Shanghai Social Sciences Institution, calls for more lively brains in social sciences. Excerpts of the article follow:

Though recent years have seen a greater variety of different opinions and points of view, the world of social sciences is still too quiet for the more lively forum demanded by reform.

Greater freedom needs to be granted, and social scientists should be given encouragement and support in advancing new theories. The social sciences should be regarded more as a science than a tool that can be used for any purpose. Though social scientists should serve the country by advocating and explaining the party's policies and lines, this should not be the sole purpose of their work. Social science embodies a range of different areas and subjects, which cannot be expected to serve the country in a unified manner.

Social scientists need to be serious and prudent, but they must also be bold and adventurous. Theories cannot progress without constant inquiry and challenge. One reason for the vitality of Marxism is that it has received new blood in the course of history.

It is a school of thought forever open to new additions, and it is wrong to forbid people to develop or revise it in the light of reality. New theories should not be labelled wrong merely because they differ from the established thought.

The current stress on respect for knowledge and education must include respect for the social sciences. At present, co-operation and support for research in the social sciences is inadequate. Some governmental departments and units are reluctant to provide researchers with information and statistics, and problems are compounded by the low pay social scientists receive.

In modern times when the boundaries between social and natural sciences are becoming harder to distinguish, social scientists must acquire more knowledge of the natural sciences, and government and concerned departments need to provide them with more opportunities to do so.

DAZHAI'S CHEN PRAISES PRESENT ECONOMIC POLICY

OW030733 Shanghai City Service in Mandarin 0100 GMT 3 Mar 85

[Text] (Zhao Shuiheng), secretary of the Dazhai party branch told reporters recently: Chen Yonggui, now 70, lives in an apartment near Nan Lishi Lu [South Lishi Road] in Beijing. He serves as an adviser to a Beijing farm, and goes to the farm once or twice a week.

When (Zhao Shuiheng) was on TDY near Beijing last year, he made a special trip to visit Chen Yonggui. He told Chen Yonggui in detail the changes that have taken place at Dazhai since the 3d Plenary Session of the 11th CPC Central Committee. When Chen Yonggui heard that Dazhai's per capita income had increased from 200 yuan to 600 yuan, he happily said: The present policy is good. If I were still young, I would return there to cultivate several mu of land under contract.

SOCIALISM CALLED 'HEIGHT OF COMMODITY ECONOMY'

HK040847 Beijing GUANGMING RIBAO in Chinese 17 Feb 85 p 3

[Article by Gao Xiufang: "Socialism Is the Height of Commodity Economy"]

[Text] Over the years, it has been traditionally believed that capitalist society is the summit of the development of commodity economy. Proceeding from the present situation, however, it is very important for us to correct such a traditional understanding. We should say that the most developed form of commodity economy is socialist society rather than capitalist society. In other words, socialist society will be the height of development of commodity economy.

First, when saying generally that capitalism is the developmental summit of commodity economy, we only proceed from a typified commodity world rather than the developmental stage of commodity economy. At the beginning of his "Kapital," Marx said: "The wealth of a society in which the capitalist mode of production occupies a dominant position is manifested as 'enormous heaps of commodities.'" ("Complete Works of Marx and Engels," Vol 23 p 47) In this society, everything is a commodity, including personality, conscience, reputation, as well as labor. Thus, only when we proceed from this meaning can we say that capitalism is the summit or the most perfect pattern of commodity economy. The most developed stage of commodity economy, however, proceeds from the developmental stage of productive forces or product economy, in which the heightening of productive forces and developmental rate of commodity economy approach the level of distribution according to need.

Second, originally, when we say that capitalism is the developmental summit of commodity economy, we do not proceed from a comparison with socialist commodity economy.

On the contrary, we do so under the prerequisite that commodity economy does not exist in socialist society. But the fact is that commodity production and commodity exchange are still present in socialist society. Under these circumstances, the final stage for the full development of commodity economy can only occur in socialist society.

Only when socialism completely defeats capitalism in terms of economy can it achieve the final victory. An inevitable demand in the course of socialist development is the emergence of new productivity which is highly superior to capitalism. This is also its characteristic. But this situation is absolutely impossible when we base ourselves on the natural economy of self-reliance. Only when the commodity economy is fully developed can this characteristic be shown. In the final analysis, the superiority of the socialist system is mainly manifested in terms of the degree of liberation of social productive forces, a sharp increase in productivity, and the full development of socialist commodity economy. Essentially, the final victory of socialism means the total defeat of capitalist commodity economy by socialist commodity economy.

In most cases, commodity production is linked with a particular kind of socioeconomic system, and is carried out in connection with certain social production relations. Under the socialist economic system, laborers are assured that they can give play to their initiative, wisdom, and creativeness as masters; and that social expanded reproduction is smoothly carried out. Regarding the production chain, laborers can freely apply the latest science and techniques. Regarding distribution, the socialist economic system takes into consideration the interests of various sectors and implements the principle of distribution according to work, so that laborers' wages constantly rise. Regarding exchange, the system has the largest market. Regarding consumption, its production expenditure and living expenses will gradually increase in the wake of development of productive forces and improvement of people's living standards. All these are incomparable in the capitalist system. It is proceeding from just this viewpoint that we say that socialist society is the height of commodity economy.

PHARMACEUTICAL PRODUCTION OUTPUT INCREASES

OW072230 Beijing XINHUA in English 1850 GMT 7 Mar 85

[Text] Beijing, March 7 (XINHUA) -- The 1984 output value of China's pharmaceutical industry was 11.72 billion yuan, a 13.2 percent increase over 1983. Addressing a national meeting on the industry which opened here today, Qi Moujia, director of the State Administration of Pharmaceutical Industry, said the figure was 1.17 billion yuan more than the target set for 1985, the last year of the country's Sixth Five-Year Plan (1981-1985). Sales of the Chinese medicinal herbs, patent medicines, medical apparatus, chemicals, glassware and chemical reagents were 11.41 billion yuan, 7.8 percent more than in 1983. Sales of medical apparatus went up 14.3 percent, an all-time high. The output value of the industry is expected to reach 12 billion yuan in 1985, he said.

Since total quality control was introduced in the pharmaceutical industry in 1979, more than 6,500 quality control groups have been set up nationwide, and product quality has been improved steadily, Qi said. Since China began opening to the outside world in 1979, he added, the pharmaceutical industry has used 50 million U.S. dollars of foreign capital to import advanced equipment and technology. Chinese pharmaceutical producers have also signed eight technical cooperation agreements and established four joint ventures with firms from Belgium, France, Japan, Switzerland and the United States. He urged the industry to concentrate its effort on upgrading its technology and improving product quality, increasing varieties and bringing greater economic returns.

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3. State Council Circular on the Approval and Circulation of State Planning Commission "Provisional Stipulations on the Reform of the System of Planning" (4 Oct 84)
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ANHUI PROVIDES EMPLOYMENT FOR JOBLESS YOUTHS

OW061151 Hefei Anhui Provincial Service in Mandarin 1100 GMT 4 Mar 85

[Text] Our province achieved rather big gains in increasing employment in 1984. In that year employment was provided for 143,000 people, pushing down the rate of job-awaiting youths in cities and towns to less than 2 percent.

Of the newly employed people, the percentage of those who obtained jobs as a result of development of the collective and individual economies increased to 76.5 percent. The rate of employment created by new collective economic undertakings was 41 percent, compared with 25.4 percent in 1983. The number of new collective economic undertakings aimed mainly at creating employment for job-awaiting urban youths in the province increased to more than 15,900. The appearance of these newly established collective economic undertakings created an industrial output value of 900 million yuan, a total volume of business of 1,013 million yuan, and a total revenue from labor and service charges of some 150 million yuan. Altogether, the total amount of production and operations registered by the new collective economic undertakings in the province was 2.06 billion yuan, up by 25 percent compared with the 1983 record. The amount of tax paid to the state totaled 101.5 million yuan, showing a 42 percent increase above 1983. The average monthly wage of their staff members and workers reached 44.55 yuan, exceeding the 1983 figure by 11 percent.

In four cities newly established collective enterprises registered a total industrial output value of more than 100 million yuan. They were Hefei, Bengbu, Huainan, and Maanshan. In Qimen, Wuwei, Shouxian, and 13 other counties and cities, the number of urban youths who obtained employment in 1984 exceeded 1,000. Fifteen percent of the newly established collective enterprises in the province instituted the insurance system. Their insurance funds totaled 14.26 million yuan. The number of labor and service companies in the province increased to 1,012 as against 525 in 1983. There were 3,535 new collective enterprises, which created employment for 200,000 people.

The development of the new collective economy in the province has an immense effect on promoting production, providing employment, improving the people's living standards, and bringing about a state of stability and unity. Facts have proven that the new collective economy has become a significant force in promoting the economic growth of our province.

CHEN GUODONG ATTENDS SHANGHAI LANTERN FESTIVAL

OW080634 Shanghai City Service in Mandarin 0100 GMT 7 Mar 85

[Excerpts] Yesterday was the 15th of the first lunar month and it was China's joyous traditional Lantern Festival. Many main streets and public parks in the municipality were decorated with lanterns and colored streamers.

Accompanied by Comrades Chen Guodong, Hu Lijiao, Wang Daohan, and Ruan Chongwu, Xu Shiyu, vice chairman of the Central Advisory Commission, and other comrades of the Huadong chapter of the Central Advisory Commission arrived at a Shanghai Park yesterday afternoon to view the lanterns. According to incomplete statistics, more than 400,000 tourists visited the park yesterday to view the lanterns. Yesterday evening more than 240 children and some foreign youngsters took part in a Lantern Festival party organized by the Youth Palace of the China Welfare Institute.

GUANGXI URGES SPEEDING UP FOUR TRANSFORMATIONS

HK030805 Nanning Guangxi Regional Service in Mandarin 1130 GMT 2 Mar 85

[Text] In accordance with the instructions of the regional CPC Committee, the committee's Organization Department recently issued a circular to all prefectural and city CPC committees and party groups and committees of regional organs on seriously studying, speeding up the pace of four transformations of the cadre force, and boldly promoting a new generation.

The circular pointed out: On 10 February, a responsible person of the Organization Department of the CPC Central Committee, replying to questions from XINHUA and RENMIN RIBAO, conveyed the instructions of the CPC Central Committee on further improving organization work and specifically proposed the current orientation and specific policies for this work.

The party organizations at all levels must organize the cadres to study this, focusing on the region's economic reform and its efforts to transform itself and on the new technological revolution. They must fully understand the importance and necessity of speeding up the four transformations of the cadre force and boldly promoting a new generation. They must deepen their understanding of the guidelines for organization work in the new period.

The party organizations must, in conjunction with study, sum up the experiences and lessons gained in the previous period in readjusting the leadership groups, building the third echelon, implementing the policies on intellectuals, and reforming the cadre system. They must get rid of old concepts and establish new ones. They must propose methods and measures for solving existing problems, further improve organization and cadre work, and promote economic construction and reform of the economic structure.

HUNAN VICE MAYOR ARRESTED FOR SPECULATION

OW070827 Beijing XINHUA in English 0703 GMT 7 Mar 85

[Text] Beijing, March 7 (XINHUA) -- A vice-mayor has been arrested for engaging in speculative business, according to a front-page story in today's PEOPLE'S DAILY.

Liu Songbai, vice-mayor of Hunan Province's Jinshi City, was arrested by the city Public Security Bureau on February 18 for engaging in illegal business, in league with others. He embezzled and accepted bribes totaling 3,800 yuan (about 1,350 U.S. dollars), according to the newspaper.

Last August, Liu took advantage of his position to divert a cargo of silk from the city's silk plant to his partners, and suggested a scheme to defraud the factory. The silk was resold at a profit of 7,900 yuan (about 2,800 U.S. dollars), of which Liu made 2,500 yuan (about 900 U.S. dollars).

Liu also accepted bribes and abused his privileges to obtain five tons of polyester-silk for a profiteer last July.

Chinese officials of state institutions are not allowed to engage in business and have been warned on several occasions not to take advantage of the economic reforms and their privileged positions to gain profits for themselves.

BEIJING COLD WEATHER MAY DAMAGE CROPS, HEALTH

OW071122 Beijing XINHUA in English 1046 GMT 7 Mar 85

[Text] Beijing, March 7 (XINHUA) -- The Beijing Meteorological Observatory today warned the city's residents of a drastic drop in temperature expected late this month, entailing possible crop damage and hazards to health.

The city's air temperature in early February was 5-6 degrees centigrade higher than normal, and this suggests a severe temperature drop in late March or early April, an observatory official said.

The observatory bases its predictions on the occurrence of similar phenomena 12 times over the past 34 years. Young wheat and fruit trees just coming into bloom in this period are particularly susceptible to sudden drops in temperature, the official pointed out.

TIANJIN MEETING ON SECOND STAGE OF RECTIFICATION

SK080544 Tianjin City Service in Mandarin 1430 GMT 7 Mar 85

[Excerpts] Yesterday afternoon, the department in charge of the party and mass organizational affairs under the municipal CPC Committee held a meeting to report on the situation of the second-stage party rectification pilot units. Attending the meeting were more than 1,000 persons, including responsible comrades in charge of party rectification of various party and mass organizations, and responsible comrades in charge of the second-stage party rectification.

A responsible comrade of the party rectification leading group of the party and mass organizations affirmed the experiences of the five pilot units at the meeting and emphatically pointed out that in making the second-stage party rectification work successful, we should ensure a smooth advance of reform. He said: The first group of party rectification units carrying out the second-stage work numbered more than 160. The main features of this stage of party rectification work are as follows: It covers many units and involves a wide area of work, a great number of party members, and different degrees of progress in work. Therefore, the party rectification tasks and duties confronting the leaders at all levels are arduous and heavy, calling on the leaders to understand fully the necessity and urgency of making a success of the second-stage party rectification work, and to devote greater energy to fulfilling it to a high standard.

The meeting made plans for grasping the various tasks of the units carrying out the second stage of party rectification. At the end of the meeting, the responsible comrade of the party rectification leading group of the party and mass organizations emphatically pointed out that those units carrying out the second stage of party rectification should promote reform and the smooth progress of the various aspects of work through party rectification, adopt resolute measures to rapidly check and correct new unhealthy trends cropping up under the new situation, and strictly enforce orders and prohibitions in accordance with the 10 emergency measures of the municipal CPC Committee and the municipal government.

GANSU CLOSES TWO ENTERPRISES FOR MALPRACTICES

HK071602 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 6 Mar 85

[Text] The Gansu Provincial (Yumin) Combined Enterprise General Company and the Gansu (Changcheng) Industrial Development General Company have carried out speculative activities to obtain huge profits and wantonly spent and issued the illicit money. Their mistakes are very serious.

The provincial people's government yesterday made a decision to immediately close down the two companies, and instructed responsible departments concerning to investigate and handle their mistakes and put forth suggestions on dealing with the two cases.

The Gansu Provincial (Yumin) Combined Enterprise General Company, which was administered by the provincial Communications and Electricity Bureau and the provincial Machinery and Electricity Research Institute, was set up by 20 cadres from 13 party, government, and Army units. Of the cadres, three were prefectural-level cadres and six were county-level cadres. For a long time this company has done business and made profits in an abnormal way. They illegally sold such goods in short supply as vehicles, steel, and [words indistinct]. According to the figures of the 50 contracts signed in 1984, the total amount of these goods for this year was 22 million yuan. They have also arbitrarily increased prices to obtain huge profits. They increased the price of each projector by 6,000 yuan and that of a (Banboa) brand refrigerator by 392 yuan. The company was in financial chaos and had many loopholes.

The Gansu (Changcheng) Industrial Development General Company was administered by the provincial Communications and Electricity Bureau. Some 17 cadres from 13 party, government, and Army units were employed by the company. Of the cadres, three were prefectural-level cadres and four were county-level cadres. The main mistakes of the company are: 1) They have carried out speculative activities. They signed a contract with a certain unit to buy 10 (Fengzhong) brand trucks, and received advance payment of 105,000 yuan from the unit. In fact, they did not buy any trucks and refused to return the advanced money to the unit. In another case, they signed a contract with another unit to supply it 20,000 meters of woolen piece goods, and received advance payments of 106,800 yuan. As they had no woolen piece goods to supply, they were forced to return some 80,000 yuan to the buyer, but still owe the buyer some 20,000 yuan. 2) They have illegally transferred funds. They have put the 105,000 yuan which was paid in advance by the buyer for trucks into the personal account of an individual and used the money at their discretion. 3) They gave false information about the capital of the company. When the company was registered in industrial and commercial administration departments, they declared that the company had 710,000 yuan as its capital, but it had only 6,000 yuan.

The provincial people's government made a decision to close down immediately the Gansu Provincial (Yumin) Combined Enterprise General Company and the Gansu (Changcheng) Industrial Development General Company, with the exception of their affiliated enterprises, to revoke the licenses of the two companies, and to freeze their funds, materials, and personnel. All party and government cadres assuming posts in the company should be relieved of their posts and they should actively assist responsible departments in investigating and handling the problem.

The provincial people's government has demanded that party and government organs and cadres at all levels draw a lesson from the mistakes of the two companies, resolutely implement the spirit of the circular of the Central discipline Inspection Commission, continue to investigate, handle, and correct the malpractices of party and government cadres doing business and running enterprises, and deal with those units which react passively, delay the investigation and handling, or even refuse to correct the malpractices, in strict accordance with relevant regulations of the central leadership.

GANSU LEADERS AT SPIRITUAL CIVILIZATION MEETING

HK060606 Lanzhou Gansu Provincial Service in Mandarin 2300 GMT 5 Mar 85

[Excerpt] Yesterday afternoon the Lanzhou City CPC Committee and government held a meeting on summing up and commanding the building of spiritual civilization. Forty-five units, including provincial CPC Committee organizations, were awarded medals, which proclaim the units as pacesetters in the civilized units contest.

At the meeting Governor Chen Guangyi pointed out in his speech: Grasping simultaneously the building of the two civilizations is an objective requirement for the development of economic structural reform as a whole. Economic structural reform calls for a corresponding reform of the superstructure, which will further promote the development of building the two civilizations. At present, some comrades who are in charge of economic work only attach importance to the building of material civilization but do not have a thorough understanding of spiritual civilization. We must seriously study and summarize this kind of thinking.

Tan Youlin, political commissar of the Lanzhou Military Region, put forward demands for jointly building the two civilizations between the army and the people. He hoped that the activities of building spiritual civilization will be carried out in a down-to-earth manner, and will be regularized. The meeting was attended by leading comrades such as Li Ziqi, Tan Youlin, Chen Guangyi, (Fei Yozhu), Wang Jintang, (Song Yinquan) and (Bai Jiangjiao).

XINJIANG CONGRESS EXAMINES EDUCATION REPORT

HK060840 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 3 Mar 85

[Excerpts] On 1 March, the 11th meeting of the 6th regional People's Congress Standing Committee conducted group discussion meetings to examine and discuss the report of the regional people's government on education work. The committee members present at the meetings fervently discussed educational work in our region.

The committee members unanimously held that there are many problems in educational work which need solutions. The first problem requiring solution is to continue to heighten our understanding of the status and role of education in economic construction. The central authorities have repeatedly emphasized that the key to achieving the four modernizations lies in science and technology, and education is the foundation. At present the enthusiasm of people of all nationalities for studying culture and technology is very great. The key is that the leaders' ideology must catch up with the development of the situation.

The committee members held: It is necessary to regard the improvement of the quality of education as the main direction of attack to develop the educational cause in the region. We must particularly grasp well the development of education for nationalities.

In the course of discussion Tomur Dawamat, chairman of the regional People's Congress Standing Committee, analyzed the situation in educational work throughout the region.

He pointed out that the whole party must attach importance to educational work. He said: It is essential to set up training and improvement of the ranks of nationality teaching forces, to strengthen teachers' training, to do well in conducting refresher courses for teachers, and to strengthen the publication of books. It is also imperative to pay attention to employing scholars and special-grade teachers to teach in Xinjiang.

While dealing with the problem of funds for education, Tomur Dawamat stated: In the situation in which our region's financial difficulties are relatively great, funds for education must increase year by year. In the future we must make our greatest efforts to develop education. We must mobilize the forces of all quarters to solve problems in the course of running schools. The whole society must respect teachers. Teachers who have left the schools are welcome to return.

Congress Meeting Ends

HK060842 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 4 Mar 85

[Excerpts] The 11th meeting of the 6th regional People's Congress Standing Committee lasted 4 days and concluded in Urumqi this afternoon. The meeting adopted certain regulations for Xinjiang Uygur Autonomous Region on the protection of the legitimate rights and interests of women and children and the decision of the Xinjiang Uygur Autonomous Regional People's Congress Standing Committee on holding the third congress of the sixth regional People's Congress. At the same time, the meeting also adopted the appointments and removals of cadres.

Tomur Dawamat, chairman of the regional People's Congress Standing Committee, presided over the meeting and spoke. He emphatically talked about the problems of respecting teachers, attaching importance to education, strengthening the dissemination of the legal system, and popularizing general legal knowledge. Moreover, it is necessary to really improve the middle and primary school teachers' political and material treatment and to enhance their social status. In the future we must formulate a rule that in the allocation of houses, arrangement of children for employment, the solution of the problem of husbands living apart from wives, settlement in an urban area, and the supply of liquefied petroleum gas, all organs, factories, mines, enterprises, and institutions must take care of workers whose family members are engaged in educational work, regardless of sex or nationality.

He demanded that under the unified leadership of people's governments at all levels and in close coordination with political and legal departments, press and education units, trade unions, CYL, and women's federations, propaganda departments at all levels in all places must take the lead and the judicial and administrative organs must organize the implementation so as to create a glorious general social mood of studying, understanding, and abiding by the law. The popularization of general legal knowledge this time must first begin with the leading cadres at and above the county level.

COMMENT ON 'TENTH CREDIT COOPERATIVE AFFAIR'

HK070742 Beijing ZHONGGUO XINWEN SHE in Chinese 1525 GMT 5 Mar 85

[Commentary by staff correspondent Chen Guoshao: "What Problems Have Been Exposed in the "Tenth Credit Cooperative Affair" in Taipei?"]

[Text] Beijing, 5 Mar (ZHONGGUO XINWEN SHE) -- The Tenth Credit Cooperative in Taipei, which has 70,000 depositors and with deposits totaling 15 billion New Taiwan dollars, is the largest credit cooperative in Taiwan. The chairman of its board of directors is Tsai Chen-chou, a "gold ox-grade" member of the "Legislative Yuan." However, the cooperative has been taken over by Taiwan's financial and economic authorities after encountering difficulties concerning working funds and a wave of withdrawals. This stemmed from the fact that Tsai Chen-chou obtained loans by exploiting his position and power, using other's names, and transferred a huge sum of deposits of the Tenth Credit Cooperative to his own Kuotai plastics factory and its affiliates. Meanwhile, the Kuotai plastics factory and its affiliates have all gone bankrupt because Tsai Chen-chou was unable to pay back several billion New Taiwan dollars of "workers' deposits" to several thousands workers and staff members of the factory and its affiliates. This is the story of the Tenth Credit Cooperative affair, a great shock to all of society in Taiwan, which occurred on 9 February and to date has not been straightened out.

This incident, which incurred monetary losses to more than 100,000 people and involved more than 10 people including Tsai Chen-chou and his son in legal proceedings, is by no means an ordinary financial incident. Rather it is a "social incident" and a "political incident," as described by the press in Taiwan. This has resulted not only in great shock and damage to society in Taiwan, but has exposed the "structure and nature of society" there.

Many experts and scholars in Taiwan have emphasized that the Tenth Credit Cooperative affair was the outcome of collaboration between officials and businessmen and abuse of privilege. They pinpointed that the Tenth Credit Cooperative has broken rules and regulations since 1979, but the "Finance Ministry" took no actions due to a position of "human feelings." This is the "main reason which made the Tenth Credit Cooperative sink deeper and deeper into the quagmire of error." Therefore, we "should fix responsibility for the Tenth Credit Cooperative affair on the former chief executive who procrastinated for a long time, because the procrastination benefited the Tsai group." Relying on his privileges, Tsai Chen-chou extorted and plundered through deceit or by force, resulting in losses to more than 100,000 people. However, the Finance Ministry "protected the human feelings of such a person who extorted and plundered by guile and wile at the expense of the human feelings of so many people." "Then where is the real conscience?"

After the Tenth Credit Cooperative affair, public opinion in Taiwan has unanimously stressed that attention must be paid to tracing the tendency toward the outflow of Taiwan's funds. According to findings by some experts, in recent years investors have slackened their investment on the island, but bank loans have increased year in and year out. Where did this money go? In Taiwan many small and medium-size enterprises can hardly obtain bank loans because they "have no acquaintances among officials in the government." Those who can obtain large bank loans are all privileged people like Tsai Chen-chou. However, almost 80 percent of these loans have not been used for investment.

Therefore, some people believe that this money has gone out to foreign countries. Reflecting on the fact that in recent years huge sums of money have flowed from Taiwan to the United States, Canada, Central and South America, that there have been so many cases concerning "repudiation of loan associations" and "insolvency," and the fact that many debtors "have gone abroad" with huge sums of money, people are now worried that capital in Taiwan will dry up.

People are greatly shocked by the Tenth Credit Cooperative affair because they are pained to find out that society in Taiwan cannot guarantee the interests of the broad masses of people. The incident has brought heavy monetary losses and mental suffering to numerous people, particularly to several thousand workers and staff members of the Kuotai plastics factory and its affiliates, who not only have lost their savings of many years but also face the threat of unemployment. It is understandable how disappointed and angry they are. However, among the authorities concerned, who always say that they "bring benefits to the people" and "they are public servants of the people," not a single one dares to come forward to take up the matter. Facing harsh reality, most victims of the affair, greatly disappointed, undoubtedly want to seek ways to save and protect themselves. In recent days numerous victims have been very upset, walking around crying and shouting in throngs in the streets demanding repayment. Many people of insight are now worried that the "dissatisfaction of these victims may further increase. They may demand protection of the abstract value of the broad masses of the people instead of their personal interests." This will probably lead to a mass salvation drive and bring unstable factors to society in Taiwan. They warned the Taiwan authorities and said that "as long as there is no social justice, it is very difficult to safeguard social order." Some scholars advised the authorities that "they should seriously examine themselves over the incident and truly oppose monopolization, speculation, and privileges so as to avoid falling into the mire of bureaucratic capitalism."

Many people also have pointed out: The Tenth Credit Cooperative affair shows that the elections in Taiwan have been stained. This will directly affect the elections scheduled to be held by the end of this year. Just as some scholars have pointed out, "candidates for election in Taiwan are mainly judged by their investment ability, and the ruling party usually nominates candidates first by considering their economic status. This encourages the so-called 'gold ox-grade people' to campaign for election." When these people are elected, "they certainly want to pay back the capital plus profits." "They try to curb and affect the general will of the people." Tsai Chen-chou, the one concerned in the Tenth Credit Cooperative affair, was nominated by the KMT and was elected a "legislator" in the capacity of "a gold ox-grade person." After being elected, he became sworn brothers with 12 other gold ox-grade "legislators" and formed a faction of "13 brothers" in the "Legislative Yuan" "in an attempt to echo each other and support each other in the course of legislation for the interests of their own business." The fraud created by Tsai Chen-chou in connection with the Tenth Credit Cooperative has heightened the bad impression of the people on legislators and elections at various levels. This naturally produce a great impact on the future election of legislators.

SPOKESMAN 'REFUTES' LI XIANNIAN ON REUNIFICATION

OW080259 Taipei CNA in English 0232 GMT 8 Mar 85

["Wang Chao-yuan Refutes Peiping's 'Formula' of Reunification" -- CNA headline]

[Text] Taipei, March 7 (CNA) -- The Foreign Ministry of the Republic of China [ROC] Thursday reiterated the ROC's inalterable position of no talks nor compromises with the Peiping regime and described its announcement that Taiwan may keep its intelligence and security units after the "reunification" as an "old, worn out line."

According to foreign wires reports, Li Hsien-nien, "chairman" of the people's congress of Peiping who is now visiting Burma, told Overseas Chinese there that when Taiwan "returns" to the fold, it will be allowed to continue with its own laws and administrative and military systems, including intelligence and security units.

Asked by domestic reporters about the reports, Wang Chao-yuan, spokesman for the Foreign Ministry, pointed out Li's words were but an old bit of rhetoric with the purpose of confusing the world.

Both the Republic of China and those who know the nature of the Chinese Communists have already seen clearly the Peiping regime's plot, he said, adding that the ROC will definitely not alter its stand of no talks and no compromises with the Chinese Communists.

PREMIER CAUTIONS ON BLAME FOR BANKING SCANDAL

OW060509 Taipei CNA in English 0306 GMT 6 Mar 85

[Text] Taipei, Mar 6 (CNA) -- Premier Yu Kuo-hwa Tuesday told legislator Huang Chu-wen not to be hasty in coming to conclusions over the Tenth Credit Cooperative case before the legal and administrative responsibilities of government officials are clearly defined.

Legislator Huang Tuesday demanded that certain government officials take the blame for allowing conditions that spawned the Tenth Credit Cooperative scandal.

He said that the Ministry of Finance must have known about the illegal operations of the credit bank since 1979 and former Finance Minister Hsu Li-teh, who is the incumbent economics minister, can hardly escape from the responsibility of letting the case go from bad to worse.

The premier said, however, the Cabinet will see to it that those government officials be punished should they be found negligent or to have failed to fulfill their duties.

WEN WEI PO ANNOUNCES 27 MAR START OF NPC SESSION

HK080800 Hong Kong WEN WEI PO in Chinese 8 March 85 p 2

[Dispatch by reporter Liu Min-yi: "NPC Session Scheduled for 27 March"]

[Text] Beijing, 7 Mar -- The CPPCC National Committee session and the Third Session of the Sixth NPC will be held by the end of this month. The CPPCC session will begin on 25 March and the NPC session will begin on 27 March and will last for 2 weeks.

It is said that while discussing and approving the acceptance of the Sino-British agreement on the Hong Kong issue, the session will officially adopt the resolution on establishing the Hong Kong Special Administrative Region on 1 July 1997.

According to this legal procedure, the official drafting of the basic law for the Hong Kong Special Administrative Region can only begin after the NPC officially adopts the resolution on the establishment of the Hong Kong Special Administrative Region. It is estimated that the current session may work out a preliminary framework for drafting the basic law. Regarding the namelist of the basic law drafting committee, the current session may not work out a complete list.

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